



CSR & CORPORATE PHILANTHROPY FOR INNOVATION IN INDIA

A Guidebook for Corporates to
Incubate and Accelerate Innovation

February 2024



Acknowledgements

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CORPORATES



INCUBATORS, ACCELERATORS & STARTUPS



Disclaimer

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About Sattva Knowledge Institute

Sattva Knowledge Institute (SKI), established in 2022, is our official knowledge platform at **Sattva**. The **SKI** platform aims to guide investment decisions for impact, shedding light on urgent problems and high potential solutions, so that stakeholders can build greater awareness and a bias towards concerted action. Our focus is on offering solutions over symptoms, carefully curating strong evidence-based research, and engaging decision-makers actively with our insights. Overall, **SKI** aims to shift intent and action toward greater impact by influencing leaders with knowledge. All of our content proactively leverages the capabilities, experience and proprietary data from across **Sattva**.

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Glossary

Accelerators	: Accelerators specialise in accelerating the growth of established businesses that demonstrate high growth potential.
Corporate Philanthropy	: Activities that companies voluntarily initiate beyond its core business activities and CSR to amplify their impact on society.
Corporate Social Innovation	: Entails businesses leveraging their expertise to develop and support innovative solutions for societal challenges. It involves collaborative partnerships and emphasises long-term sustainability, measuring social impact, and promoting inclusivity.
Corporate Social Innovation Leader	: An individual adept in executing innovative solutions, including support to innovators, and cultivating a collaborative and innovative culture within the corporate, resulting in positive and widespread societal impact.
Corporate Social Responsibility (CSR)	: Corporate Social Responsibility (CSR), as stipulated under Section 135 of the Companies Act, 2013, mandates corporates to allocate 2% of their average net profit from the previous three years towards projects and initiatives that are aimed at fostering sustainable development, addressing societal needs, and promoting positive impacts on communities. These obligations are applicable to any company meeting one or more of the following criteria in the preceding financial year: i) Net worth exceeding INR 500 Crore ii) Turnover surpassing INR 1,000 Crore iii) Net profit exceeding INR 5 Crore
CSR Contribution	: The resources that the CSR arm of a corporate allocates to fulfil the CSR initiatives, contributing to social and environmental needs.
Employee Volunteering Programme (EVP)	: Employee Volunteering Programmes, as corporate initiatives, harness employees' varied skills, such as business acumen and technical expertise, through activities like mentorship. This approach promotes creative problem-solving, leading to impactful community engagement and reinforcing the company's commitment to social responsibility.
Funding Innovation	: Corporates providing financial support to startups through incubators/accelerators or extending capacity-building support to these innovation hubs.

Incubators	: Incubators focus on nurturing early-stage businesses by helping them develop and scale their ideas into viable products or services.
Innovation & Entrepreneurship Supporting Entity (I&E-SE)	: An organisation that fosters and aids innovation and entrepreneurship for addressing the societal challenges, such as incubators, accelerators, universities, and government agencies.
Innovation Lifecycle	: Distinct stages that an innovation or startup traverses, namely identification and ideation, prototyping and validation, market traction, scaling and diffusion, and ultimately, market mainstreaming.
Innovation Programme	: Involves facilitating 'innovation' activities through structuring a process that encompasses partner identification, gaining leadership approval, understanding the resources allocated to innovation entities, and implementing effective governance practices.
Makerspaces	: Makerspaces are collaborative workspaces commonly found in educational institutions, libraries, or dedicated facilities. They foster activities such as making, learning, and sharing, while also developing critical 21st-century skills, especially in STEM and STEAM fields, through hands-on experiences.
Schedule VII	: Schedule VII of the Companies Act 2013 outlines a list of authorised CSR activities that companies are permitted to undertake.
Technology-Business Incubator	: Among the government-supported incubators, there is a specific category known as Technology Business Incubators (TBIs), which receive funding from agencies such as Department of Science and Technology (DST).

Abbreviations

AIM	: Atal Innovation Mission
ATLs	: Atal Tinkering Labs
CSR	: Corporate Social Responsibility
CO₂	: Carbon Dioxide
CSIR	: Council of Scientific and Industrial Research
DST	: Department of Science and Technology
DPIIT	: Department for Promotion of Industry and International Trade
EVP	: Employee Volunteering Programme
GHG	: Greenhouse Gas
IoT	: Internet of Things
IP	: Intellectual Property
I&E-SE	: Innovation and Entrepreneurship Supporting Entity
IIM-NSRCEL	: Indian Institute of Management- N.S. Raghavan Centre for Entrepreneurial Learning
KPI	: Key Performance Indicator
MCA	: Ministry of Corporate Affairs
MSME	: Micro, Small and Medium Enterprises
MBRDI	: Mercedes-Benz Research & Development India
MOU	: Memorandum of Understanding
M&E	: Monitoring and Evaluation
NGRBC	: National Guidelines for Responsible Business Conduct
NGO	: Non-Governmental Organisation
NPO	: Nonprofit Organisation
OKRs	: Objectives and Key Results
POC	: Point of Contact
R&D	: Research and Development
RFP	: Request for Proposal
SKI	: Sattva Knowledge Institute
SBI	: State Bank of India
TBI	: Technology Business Incubator
TOC	: Theory of Change

CONTENTS

SECTION 01	08
Synergising Innovation, CSR and Corporate Philanthropy: India's Dynamic Path Forward	
SECTION 02	14
Unlocking Innovation through CSR and Corporate Philanthropy: A Legislative Journey	
SECTION 03	19
Empowering Corporate Leaders: A Strategic Guide to Accelerate Innovation in India	
Phase1: Identifying Priority Areas for Innovation, and Assessing Feasibility and Readiness	
Phase 2: Secure Leadership Buy-in and Capacity Building of Key Stakeholders	
Phase 3: Crafting an Innovation Life Cycle-centric Strategy	
Phase 4: Launching an Innovation Programme with Strategic Partners, Robust M&E Metrics and a Clear Exit Strategy	
SECTION 04	42
Informing the Incubators and Innovation & Entrepreneurship Supporting Entities	
SECTION 05	43
Path Ahead: Addressing Roadblocks for Success	
SECTION 06	48
Case Studies of Corporates Accelerating Innovation	
References	57
Appendix	58

Synergising Innovation, CSR and Corporate Philanthropy: India's Dynamic Path Forward

1.1 How has India's journey in innovation unfolded?

India is undergoing a remarkable transformation into a hub of innovation, spearheading a significant entrepreneurial revolution, and steering towards establishing a robust, innovation-driven economy.

Innovation is a crucial catalyst for economic progress, benefiting individuals, industries, and the overall economy. From a financial perspective, innovation encompasses the creation and utilisation of visionary ideas and technologies that elevate the quality of goods and services, or streamline their production processes.

The Ministry of Science & Technology secured an allocation of INR16,361.42 Crore in the Union Budget 2023-24, a 15% increase compared to the preceding budget estimate.¹ India, recognised as the world's third-largest startup ecosystem,² currently finds itself amidst a profound entrepreneurial revolution, steering towards an innovation-driven economy. This transition is evident in India's policy landscape, which is reflected in the robust government initiatives currently at play.

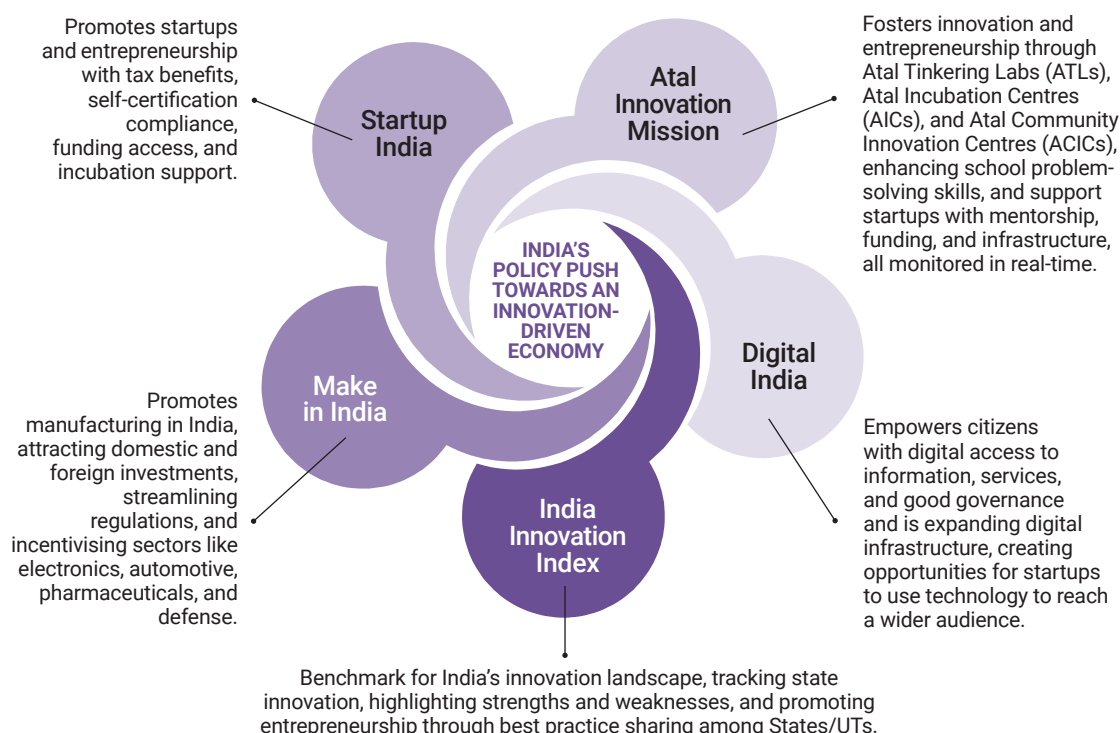


Figure 1: Nurturing Policies in Action for Innovation and Entrepreneurship in India

India's priority shift towards innovation is evident through key government initiatives that promise a bright future for the innovation and entrepreneurship ecosystem, driving social development.

In 2015, India launched the Digital India programme to empower citizens through digital access to information, services, benefits, and good governance. Over six years, it attracted 624 million users, fostering digital infrastructure and enabling startups.³ This surge in digital infrastructure, including broadband connectivity, digital payment systems and e-governance, paved the way for startups to harness technology and reach a broader audience.

In 2016, the NITI Aayog launched the Atal Innovation Mission (AIM) to promote innovation and entrepreneurship in India. AIM includes Atal Tinkering Labs (ATLs) in schools for hands-on learning and problem-solving, and Atal Incubation Centres (AICs) in universities and the private sector, providing mentorship and support for startups. AIM has made a significant impact, with 10,000 ATLs engaging 75 lakh students, 69 AICs nurturing 2,900 startups, and creating over 30,000 jobs, including 900 startups owned by women entrepreneurs, emphasising inclusivity and diversity.⁴

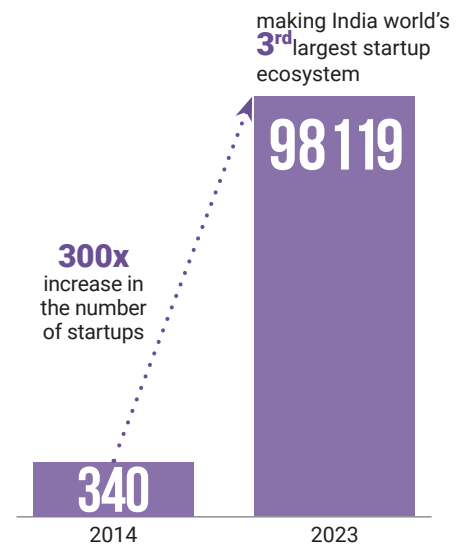


Figure 2: A Decade of Growth in Startup Numbers Recognised by DPIIT (2014-2023)⁶

Complementing these initiatives, Startup India, with tax exemptions, funding, and incubation support, nurtured a thriving startup ecosystem. The country secured patents for 30,074 inventions, reflecting a strong commitment to cutting-edge technologies and solutions. By the end of 2021, 44 Indian startups achieved unicorn status.⁵

In 2019, NITI Aayog and the Institute for Competitiveness joined forces to establish the India Innovation Index.⁷ This tool assesses state innovation, fosters entrepreneurship, and encourages startups by pinpointing strengths and weaknesses. It promotes cooperative federalism, facilitating the exchange of best practices among states and union territories to create innovation hubs nationwide. The index, empowering stakeholders to evaluate innovation and business value, garnered global recognition in the 2020 Global Innovation Index, elevating India's standing in Central and Southern Asia according to the World Intellectual Property Organisation.⁸

These combined policy efforts have formed a cohesive narrative of India's journey towards innovation, entrepreneurship, and economic growth, showcasing the focused intent and strides made in just a few short years.

India's ascent to the Top 40 of the 2022 Global Innovation Index is propelled by improved incubation, venture funding, and strategic partnerships.

India's startup growth has been propelled by a synergistic mix of factors, including incubation, handholding, funding, industry-academia partnerships, and mentorship programmes, igniting an entrepreneurial spirit nationwide. To amplify this momentum, our demographic dividend, characterised by a dynamic and innovative youth population, offers a vital global competitive edge. Fueled by aspirations and technological embrace, this advantage is further fortified by increased research and development investments. To fully capitalise on this, it is imperative to enhance India's innovative capacities, cultivating an ecosystem that not only empowers its workforce but also champions emerging areas such as climate action and gender inclusivity.

In recent years, innovation has driven significant transformations across sectors, impacting industries and society at large, emerging as 'key pockets of the future'.

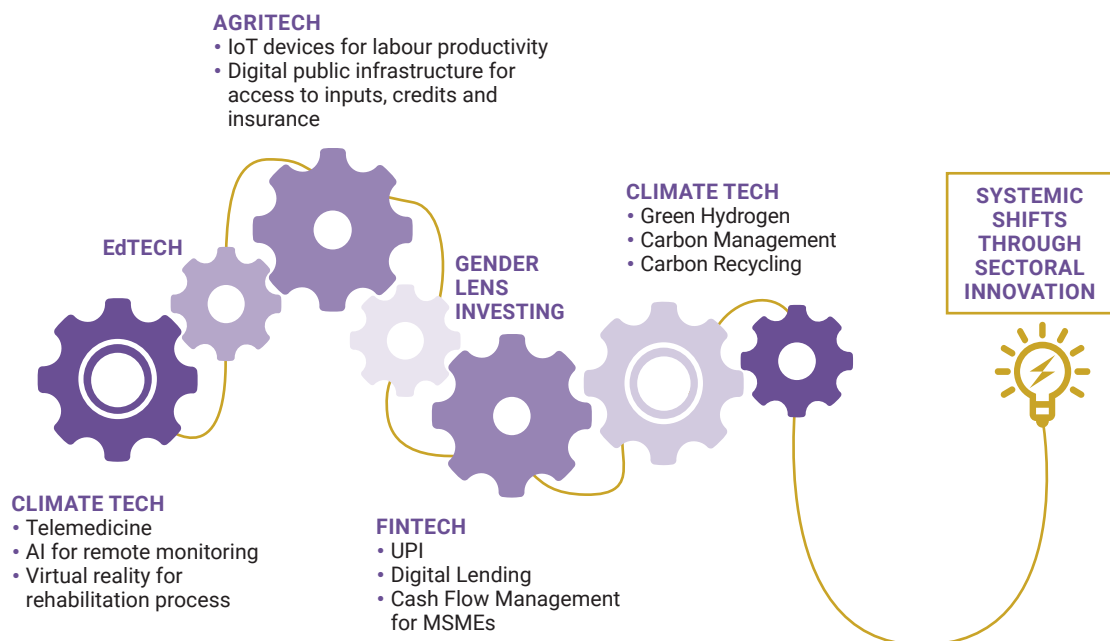


Figure 3: Key Pockets of the Future

1.2 Why Innovation, CSR and Corporate Philanthropy Need Converging?

Over the past eight years, the startup ecosystem has seen an uptick in both investment amounts and deal volumes. Startups are not only driving economic expansion, but also introducing innovative approaches to tackle prevailing societal and environmental issues.

The country boasts 1,000 incubators and accelerators, with 450 being officially approved by both the Central and State governments as Technological Business Incubators (TBIs). This ecosystem has contributed significantly, generating over 7,68,000 jobs in the last six years.⁹

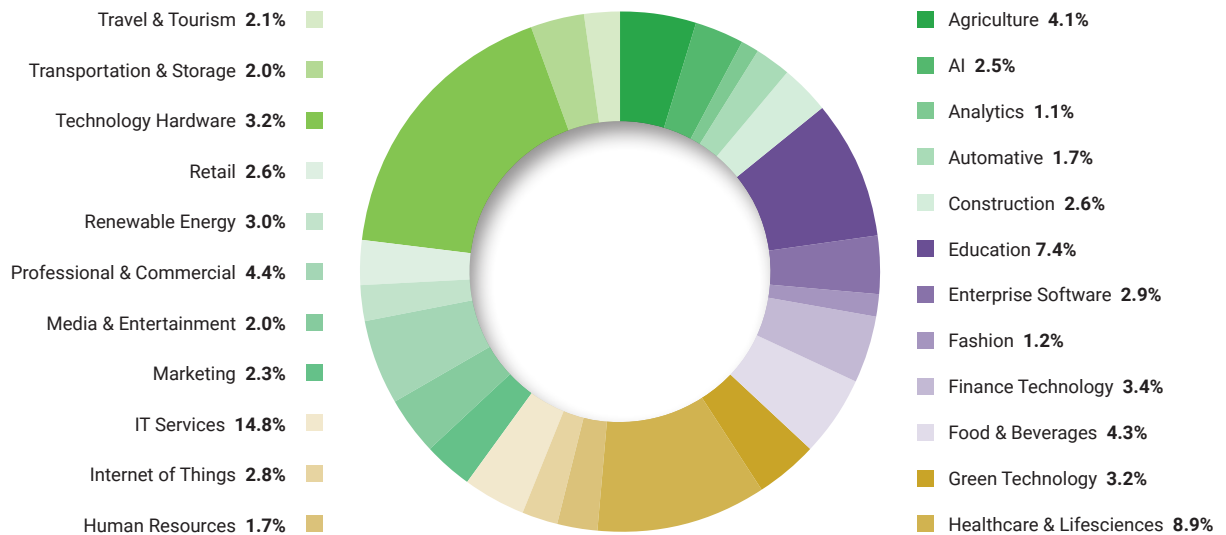


Figure 4: Sector-wise Startup count (2014-2020)

As per the India Philanthropy Report 2023 by Dasra and Bain & Co., social spending in FY22 reached \$18.7 billion. CSR contributions stood at \$3.3 billion, with an additional \$3.6 billion coming from family philanthropy, family offices, ultra-high-net-worth individuals, and high-net-worth individuals. Retail philanthropy constituted \$4 billion, while foreign funds from private foundations accounted for an extra \$2 billion.¹⁰

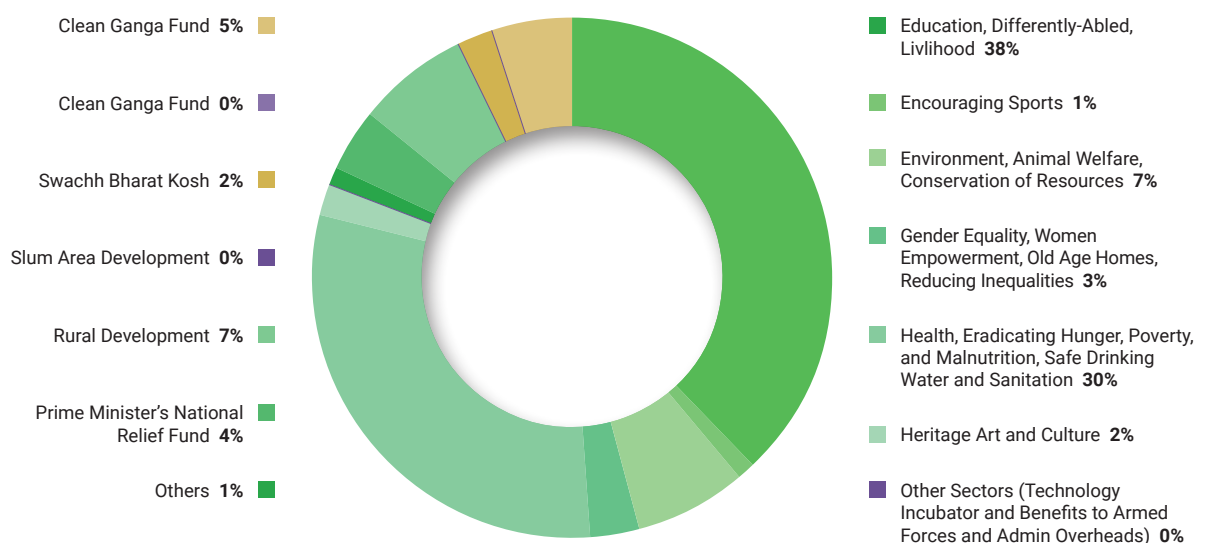


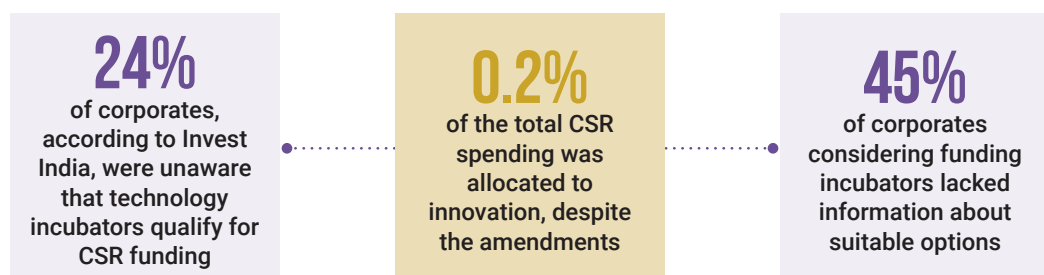
Figure 5: Development Sector-wise CSR Spend (2014-2021)

To facilitate transformation, Indian corporates are strategically aligning themselves with national priorities, with CSR and corporate philanthropy emerging as a pivotal approach. An alignment is observed in the popular sectors for startup formation and the areas where CSR contributions are directed, particularly in Education, Environment, and Livelihood.

Further to this, the National Education Policy 2020 emphasises that 21st-century economic growth is driven by innovation and entrepreneurship, aligning with NEP 2020 principles that highlight creativity, critical thinking, and the crucial role of higher education in knowledge creation.¹¹ Higher Education Institutions (HEIs) are poised to prioritise research, innovation, and interdisciplinary initiatives, and the encouragement of student innovation through competitions. Consequently, active support from CSR and Corporate Philanthropic initiatives is crucial to nurturing the innovation ecosystem. Fostering these efforts across schools, colleges, and industries is essential for a seamless transition to innovation and entrepreneurship-driven problem-solving.

While CSR spending, a significant part of corporate giving, accounted for 30% of overall domestic private contributions, supporting innovation still constitutes a limited proportion of CSR contributions.

Over the past five years, CSR spending experienced a robust 13% growth, reaching a total of INR 27,000 Crore in FY 2022 and is expected to surge to an impressive INR 52,000 Crore by FY 2027.¹² Intriguingly, despite regulatory amendments in 2019 and 2022 designed to foster innovation, only 0.2% of the total CSR expenditure was allocated to innovative initiatives, underscoring a significant untapped potential for growth and impact in this area.¹³



Following initial discussions with corporate social innovation leaders, there are three key challenges that they face in accelerating innovation in India:

- 1 Leadership Buy-In**
 Building a compelling case for innovation funding is difficult due to corporate leadership's skepticism and concerns related to compliance issues, which prioritise immediate impact.
- 2 Partner Information Gap**
 This challenge involves a lack of information or knowledge gaps when seeking and engaging potential partners for social innovation projects. This leads to mismatches in goals, capabilities, and values, hampering collaboration effectiveness.
- 3 Impact Assessment Complexity**
 Developing effective impact assessment frameworks for innovation programmes is challenging due to extended timelines, the need for custom metrics, and the dynamic nature of innovation. These challenges also have the potential to lead to conflicts with CSR reporting standards.

To accelerate more CSR and corporate philanthropy support towards innovation in India and address these challenges, this guidebook presents insights from the most successful corporate social innovation models in India. It examines best practices and draws lessons from their experiences to develop a phase-by-phase approach to how corporates can accelerate innovation.

Over a decade ago, India initiated the Decade of Innovations 2010-20 strategy, emphasising innovation through diverse policy initiatives. This guidebook delves into the specific role that corporate and corporate leaders have played, and can continue to play in advancing innovation in India, with a focus on driving Innovations 2.0 through a step-by-step approach. Through case studies, it illustrates how companies, leveraging their infrastructure and networks, contribute to substantial social returns, fostering economic growth by creating jobs and nurturing skilled innovators. Our research is substantiated by a blend of secondary research and primary research conversations.

SECONDARY RESEARCH

- 15+** Ecosystem reports, research papers, and policy documents were scanned to comprehend the innovation landscape in India, including its evolution, existing policies, and other supporting tailwinds.
- 600** Corporates were analysed using MCA data to gather high-level information on their CSR spending towards innovation, and annual reports were examined to better understand their innovation initiatives.

PRIMARY RESEARCH

- 30** Corporates were interviewed, with a specific focus on 12 shortlisted for in-depth discussions regarding their ongoing interventions in supporting innovation.
- 10** Incubators/Accelerators/R&D institutes were interviewed, selected based on their maturity and experiences, for in-depth discussions.
- 05** Experienced individuals from Sattva Consulting, who have extensive experience in CSR and Corporate Philanthropy for innovation, were interviewed.

Unlocking Innovation through CSR and Corporate Philanthropy: A Legislative Journey in India

India, with a rich philanthropic tradition dating back to ancient times, marked a significant turning point with the introduction of the Companies Act 2013, administered by the Ministry of Corporate Affairs (MCA). This legislation legally mandated and encouraged corporates to embrace social responsibility through Corporate Social Responsibility (CSR), positioning India as a global pioneer in such obligations.

According to the Companies Act 2013, all companies with a...

...are required to comply with the law by...

Net worth - INR 500 crores OR
Annual turnover - INR 1,000 crores OR
Net profit - INR 5 crores or more

Spending at least 2% of their average net profit of the preceding three financial years on social impact programmes.

Before the Companies Act 2013, India's business social responsibility relied on voluntary initiatives. Legislation in the 1960s addressed corporate governance, labour standards, and environmental practices in the public sector. However, during the 1980s era of globalisation and economic liberalisation, CSR took a backseat as private and foreign businesses thrived.

The Companies Act 2013 marked a shift, mandating certain companies to allocate a minimum of 2% of their average net profits to CSR activities. This legislation required the formation of a CSR committee, the development of a CSR policy, and the disclosure of activities and expenditures in annual reports. It aimed to promote a strategic CSR approach, moving beyond mere charity. The law enhanced accountability and transparency while ensuring the effective utilisation of CSR funds for genuine social development. Since its inception, the law has undergone amendments to address evolving challenges and opportunities in CSR.

Furthermore, in 2009, India introduced the National Voluntary Guidelines (NVGs), which evolved into the 2019 National Guidelines for Responsible Business Conduct (NGRBC). These guidelines outline nine principles designed to engage "India Inc." in the nation's sustainability goals.

The NGRBC delineates societal, environmental, and economic responsibilities, promoting conscientious corporate behaviour and elevating CSR from a mere compliance requirement to a strategic contributor to global Sustainable Development Goals (SDGs). Rooted in the UN Guiding Principles on Business and Human Rights and the Sustainable Development Goals, these guidelines are tailored to India's unique landscape while remaining aligned with international frameworks.¹⁴

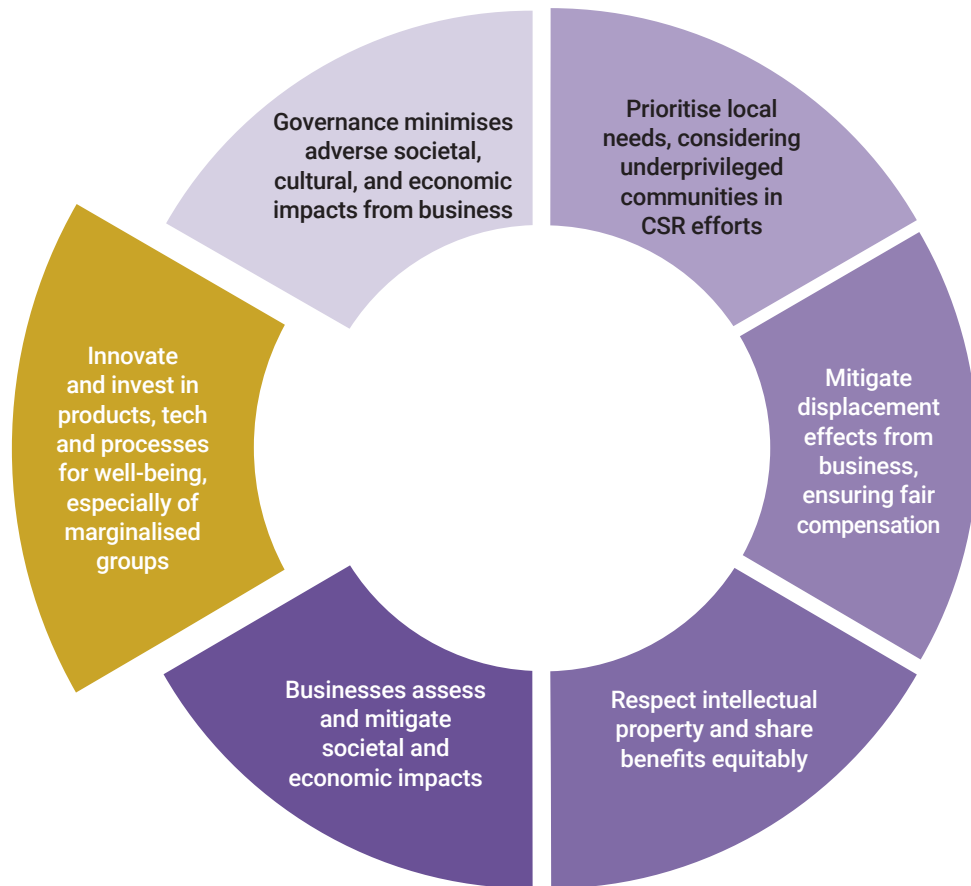


Figure 6: Six Core Elements of Principle 8 for Corporates

At the core of this transformation is Principle 8 of the NGRBC, which underscores India's distinct developmental challenges and aligns business activities with government policies. This alignment is particularly crucial in socially dissonant and underdeveloped regions. Recognising the value of business energy and innovation, the Principle encourages contributions to national development, particularly benefiting marginalised groups (as per Companies Act, 2013, Section 135). It emphasises collaborative efforts among businesses, government, and civil society to advance SDG 17-aligned progress and underscores the interconnectedness of business success, inclusive growth, and equitable development.

The changing CSR landscape in India has paved the way for corporates to invest in innovation, catalysed by the amendments to the Companies Act 2013. Significant amendments in recent years enabled the inclusion of Innovation as a key area for CSR contributions in 2019 and 2021.

CSR AND CORPORATE PHILANTHROPY FOR INNOVATION IN INDIA

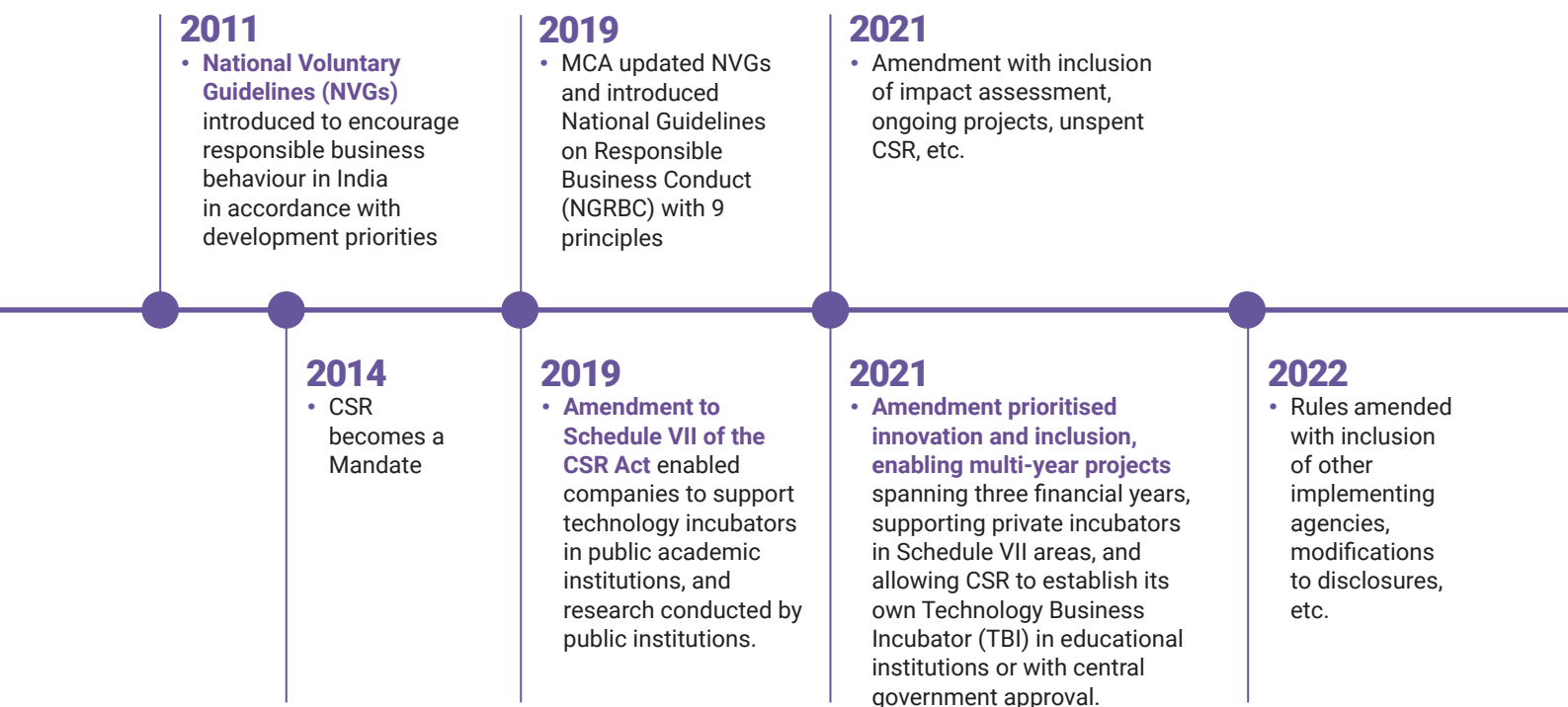


Figure 7: The Evolution of the CSR Mandate and the Inclusion of Innovation as a Priority

The 2019 amendment in Schedule VII of the CSR Act allowed companies to fund not only technology incubators in public academic institutions but also the public institutions conducting research.¹⁵

2019 CSR Amendment: Broadening the Horizons of Schedule VII Contributions

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- Contributions to public-funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, etc.

The 2021 amendment played a crucial role by enabling companies to back private incubators in Schedule VII areas, facilitating multi-year projects spanning three financial years.

The amendment additionally allowed companies to establish their own Technology Business Incubator (TBI) within educational institutions or approved by the central and state governments. This created new opportunities for corporates to collaborate with social enterprises, NGOs, and foundations and with like-minded startups, incubators, and accelerators dedicated to innovative solutions for social and environmental issues. As a result, corporates can now directly support an incubator or an accelerator or collaborate with a non-profit to involve an incubator/startup in their philanthropic activities.

By recognising that supporting innovation goes beyond CSR, corporates can drive innovation beyond grants by fostering an ecosystem where groundbreaking ideas, technologies, and solutions flourish.

With the shift under the Companies Act 2013, CSR integration into corporate strategy has elevated innovation as a crucial driver of societal development. Now integral to India's innovation ecosystem, it yields substantial social returns beyond conventional grants.

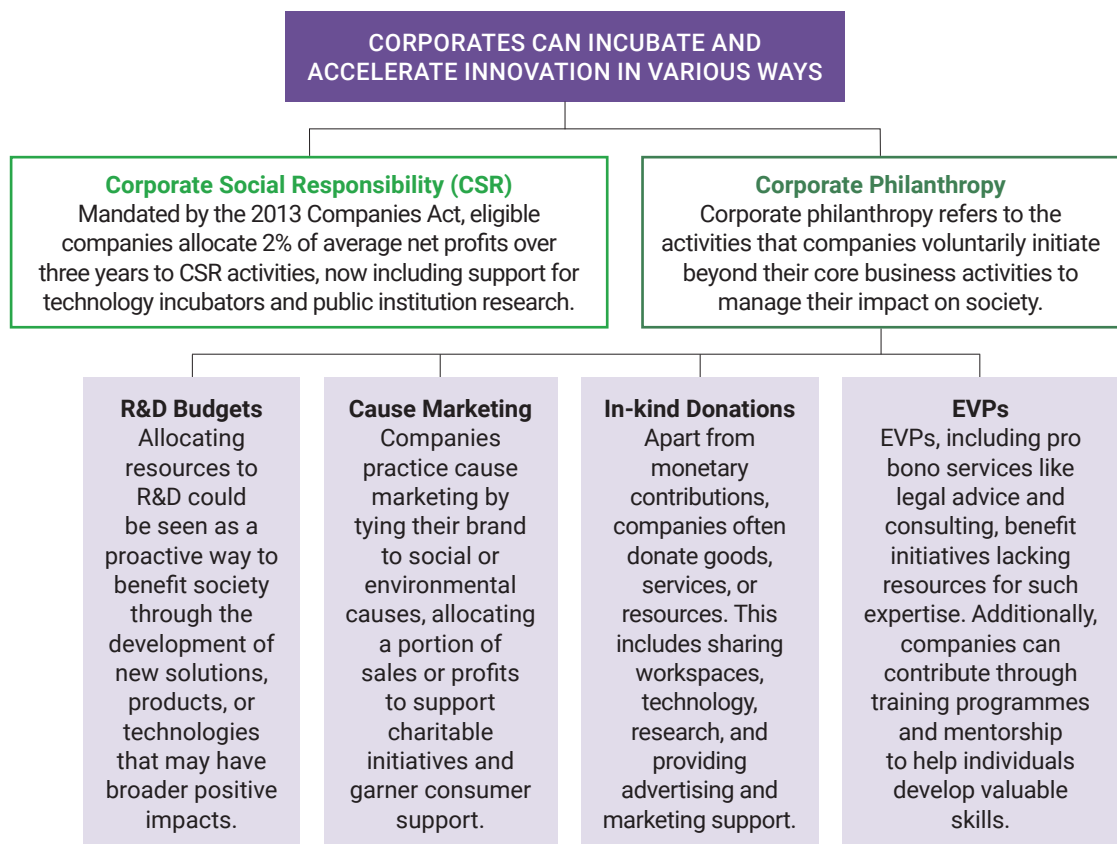


Figure 8: Corporate Strategies for Driving Innovation

Corporates can innovate beyond traditional CSR grants through Employee Volunteering Programmes (EVPs), offering infrastructure, resource-sharing, mentorship, and capacity-building, among others. Collaborations with startups, academia, and incubators, within or outside CSR, open doors for transformative change. As India progresses with innovation, businesses are poised to shape a sustainable future. The next chapter provides an approach for corporates to align their CSR and corporate philanthropy strategies to incubate and accelerate innovation in India.

Empowering Corporate Leaders: A Strategic Guide to Incubate and Accelerate Innovation in India

3.1 How Can Corporates Engage with Innovation & Entrepreneurship Supporting Entity (I&E-SE)?

Recognising the pivotal role of innovation in addressing societal challenges and its dual benefits, this section offers a three-phase approach for corporate professionals to adopt it as part of their social responsibility strategies.

Phase 1 centres on establishing intent and checking the feasibility of funding innovation. **Phase 2** involves gaining leadership buy-in to adopt innovation as a Social Responsibility strategy and Capacity building of key stakeholders, which may include internal policy adjustments. **Phase 3** delves deep into forging funding partnerships and developing effective support strategies to accelerate innovation. Finally, **Phase 4** addresses the crucial aspects of monitoring and evaluation, along with exit strategies.

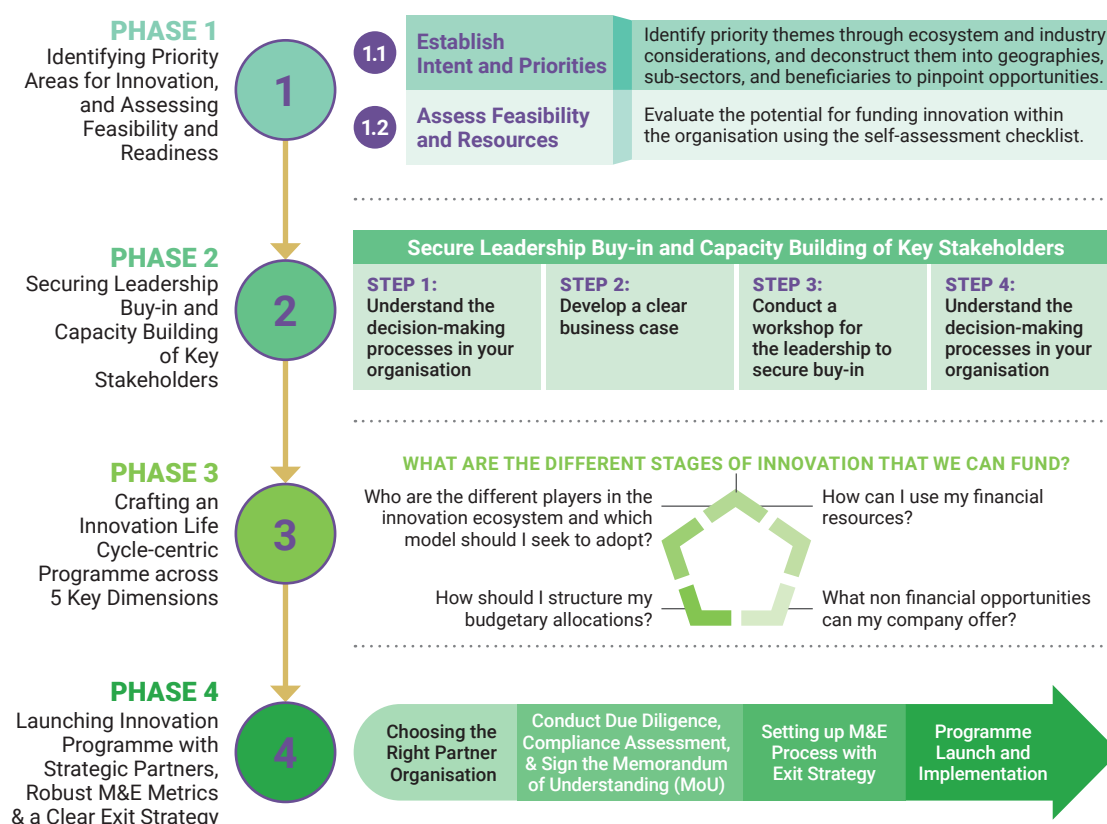


Figure 9: Four Phases to Incubate and Accelerate Innovation

PHASE 1: IDENTIFYING PRIORITY AREAS FOR INNOVATION, AND ASSESSING FEASIBILITY AND READINESS

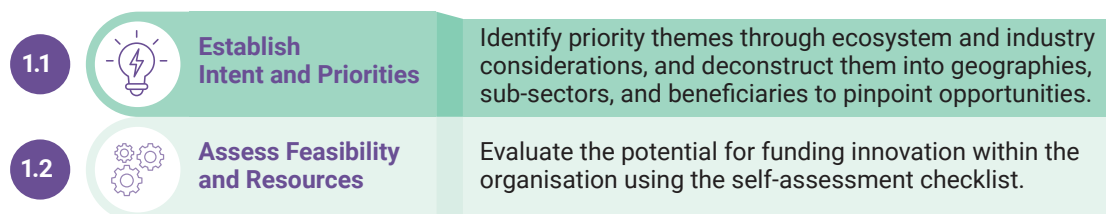


Figure 10: Phase 1 entails a thorough and deliberate execution of the two steps

1.1 Identify Key Problem Areas to Support Innovation, in Alignment with Organisational Goals

In this phase, your primary task is to define innovation objectives and priorities effectively. Start by specifying clear innovation goals, and prioritise these objectives based on their strategic significance to the company. Finally, communicate these priorities to align your team and stakeholders with your innovation strategy.

- a. **Identify material issues within the industry and at the intersection of ecosystem needs to pinpoint the key problems that require innovation.**

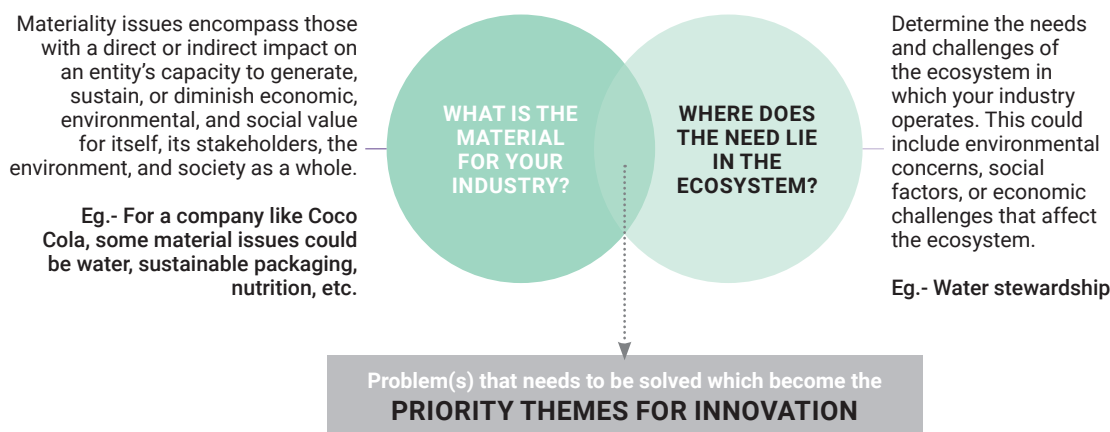


Figure 11: Assessing Materiality and Ecosystem Needs for Priority Sector Identification

- b. **Evaluate the extent and scale of the identified problem(s) across geographies, sub-sectors, and key beneficiaries.** This process will help identify specific needs and opportunities for innovation, enabling the definition of the corporate focus in innovation, including values, mission, core expertise for execution, and the existing value chain for long-term realisation.

GEOGRAPHY
OF FOCUSSUB-SECTORS
UNDER THE THEME

BENEFICIARIES

Where can innovations unlock opportunity?

“Our organization’s strong focus was on tackling a real-world challenge we encountered: how to encourage and recognize the untapped potential within the engineering workforce. This quest led us to create Makerspaces (ATLs) in over 100 schools in collaboration with Atal Innovation Mission. Additionally, we set up a tinkering lab within our office, providing our employees with a dedicated space to innovate.”

– Nirbhay Lumde, the Head of CSR Asia Pacific at CGI,



The collaboration between CGI and AIM aims to cultivate an innovative mindset in educators, empowering them to inspire and guide the next generation toward a brighter, more inventive future while building a future-ready digital workforce.

In 2020, CGI partnered with NITI Aayog’s AIM to support the Atal Tinkering Laboratories (ATL) initiative. Adopting 100 schools in Bangalore, Chennai, Hyderabad, and Mumbai, CGI promotes STEM education. CGI volunteers actively coach and mentor students, offer hands-on STEM experiences, and conduct training workshops for teachers in design thinking, computational thinking, robotics, and coding.

1.2 Assessing Readiness and Feasibility to Support Innovation in the Identified Areas

After identifying the key areas for innovation strategy, the next critical step is to evaluate and align your organisation’s resources accordingly. Assessing feasibility involves exploring your company’s existing innovation ecosystem and understanding the prerequisites for funding innovation programs. A thorough resource evaluation covering financial, human, and technological aspects is essential. Proactively addressing potential challenges and risks that might impede the success of innovation projects, along with determining whether your organisation possesses the internal capabilities or if external collaborations and partnerships are necessary to elevate your innovation initiatives. This holistic approach ensures a strategic and well-rounded understanding of whether your company is ready to foster innovation.

We have collated a checklist to conduct an initial self-assessment to gauge the ‘Potential to Incubate and Accelerate Innovation’ through your company’s CSR and Corporate Philanthropy Initiatives:

- **Policy Alignment:** Do our existing policies and practices encourage or hinder innovation? What areas need improvement, and what policy updates are necessary?
- **R&D Orientation:** Is our company inclined towards any form of research and development, technology, or scientific innovation?
- **Cultural Enablers:** Does the prevailing culture within our organisation foster innovation and entrepreneurship? Is there encouragement for open communication, idea sharing, willingness to experiment, and feedback loops?
- **Leadership Engagement:** How can we educate our leadership on the potential benefits of funding innovation?
- **Beyond Financial Support:** Is our company open to engaging in CSR and corporate philanthropy initiatives beyond just granting funds?
- **Resource Leverage:** Are we open to leveraging non-financial resources, such as internal capacities through our employees and existing technology platforms, to amplify impact?
- **Ecosystem Connections:** Is our company open to forging new connections within the ecosystem and establishing cross-functional, cross-sectoral partnerships?
- **Long-Term Commitment:** Would our company be willing to support a long-term program for 3 to 5 years, considering that innovation funding often requires sustained support?
- **Ecosystem Knowledge:** Do I possess sufficient knowledge about the incubation, acceleration, and startup ecosystem, which is crucial for funding innovation programs?
- **Compliance Knowledge:** What are the initial compliance requirements?
 - a. Schedule VII (as amended in 2021) identifies that CSR can legally support India's incubation ecosystem via two channels:
 - Technological Business Incubators (TBIs) - located within an academic institution and approved by the Central government through the Department of Science and Technology (DST)

Example: Located at IIM Ahmedabad, CIIE (Center for Innovation, Incubation, and Entrepreneurship) is a DST-approved incubator that focuses on assisting startups in the digitization, deep tech, and climate tech sectors at their risky early stages. To date, CIIE has invested in more than 300 startups across India.
 - Registered not-for-profit entities (Section 8 Companies, societies, or trusts) - collectively referred to as 'I&E-SE'

Example: Founded in 2001, Villgro is an Indian non-profit social enterprise incubator, specializing in Agriculture, Climate Action, Healthcare, and Education start-up incubation. They've incubated over 340 social enterprises, positively impacting over 20.8 million lives.

- b. In the case of supporting TBI - there are no restrictions on the type or focus area of startups/ enterprises supported
- c. In the case of supporting a non-profit/SSE - CSR regulations mandate that the start-ups supported must be working within a thematic area prescribed under Schedule VII.¹⁶

The above checklist is a starting point and not exhaustive. This will help you to collate the required background information about the readiness of the corporate to adopt innovation and be prepared to talk to your company's leadership about choosing innovation as a strategic approach to amplify social impact.

PHASE 2: SECURING LEADERSHIP BUY-IN AND CAPACITY BUILDING OF KEY STAKEHOLDERS

As a corporate leader, with intent, focus areas and feasibility arguments in place, the subsequent step is to gain leadership buy-in. Achieving this necessitates four critical actions:

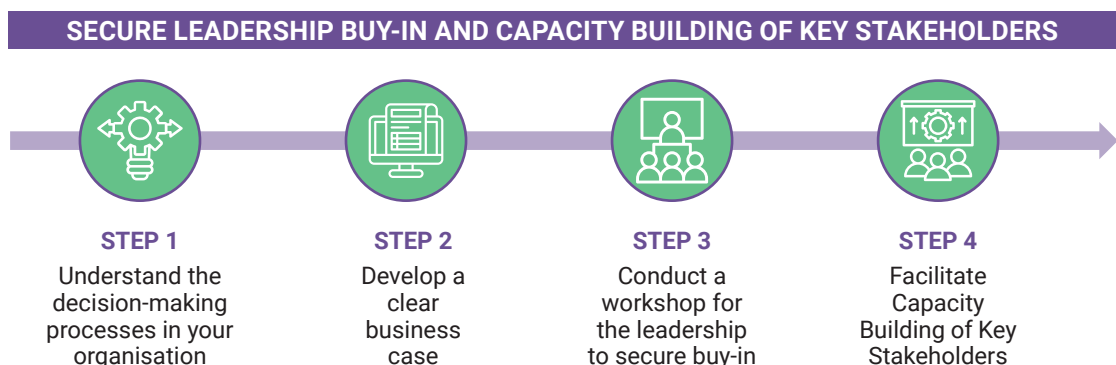


Figure 12: Approach Towards Securing Leadership Buy-in

Step 1: Understand the Decision-making Processes in Your Organisation

CSR managers/leaders play a pivotal role in advancing the CSR agenda within their organizations. Part of their responsibilities includes formulating comprehensive proposals for presentation to the CSR Committee of the Board to advocate for and integrate innovative approaches, such as 'funding incubators,' into the company's CSR strategy.

Upon presentation to the CSR Committee, the proposal undergoes careful consideration and evaluation. Committee members deliberate on the merits of incorporating innovation as a core component of the CSR strategy, recognizing its potential to drive positive change and create sustainable value. Following thorough deliberation, the CSR Committee grants approval for the integration of innovation into the company's CSR funding strategy.

Step 2: Develop a Clear Business Case

Once we have a clear understanding of the intent, priorities, and feasibility of taking action from Phase 1, we compile all the necessary information to create a compelling business case, using the Desirability, Feasibility, and Sustainability framework, to persuade the leadership.

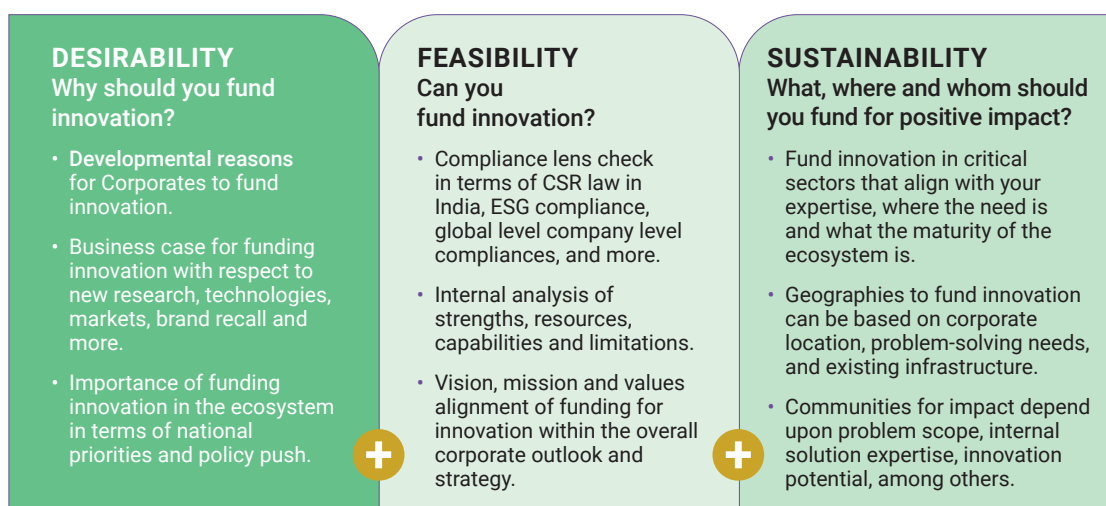


Figure 13: Framing a Business Case for Leadership Buy-In through the Desirability, Feasibility, and Sustainability Framework

To bolster the case for funding innovation and create a compelling business argument for Desirability, delve into potential opportunities using the framework in *Figure 15*. Our discussions with corporates reveal that prioritising innovation leads to expertise-driven collaborations, yielding unique products, enhanced knowledge, and a stronger brand presence for the company. There's also the potential to align innovation programmes seamlessly with ESG principles, fortifying the value chain and highlighting the significance of a well-balanced approach to innovation and compliance.

Before you meet company leaders to gain their support and buy-in, it is essential to keep in mind that several critical compliance-related questions may come up during the meeting. Therefore, you should have an initial understanding of these factors.

1. **Internal Policy Update, including CSR policy:** Once leadership approves funding for innovation programs, you will need to align and update all organisation policies, especially CSR policy (if applicable) to reflect this decision.



Figure 14: Business Opportunity Unlocked by Funding Innovation

2. **Certification and Funding Sources:** Gain an understanding of the certifications required and potential partners that need to be identified for government-recognised I&E-SEs for potential funding.
3. **Non-profit Due Diligence:** Understand the due diligence exercise involved when considering funding for an I&E-SE, especially in the non-profit sector.
4. **MoU Clarity:** Gain an understanding of what a Memorandum of Understanding (MoU) entails.
5. **Annual Action Plan Revision:** Be aware that the annual action plan will need to be updated.
6. **Website Compliance Revision:** Understand that everything related to CSR laws and regulations must be added to the website, particularly information about the innovation program.

By addressing these considerations before the meeting, you can streamline the approval process and facilitate effective communication with the leaders regarding potential implementation plans.

Step 3: Conduct a Workshop Session for the Leadership to Secure Buy-in

Upon the successful completion of Step 2, the corporate leader is well-positioned to orchestrate a Leadership Meeting/Workshop session. This session serves as a means to align the leadership team with the proposed innovation strategy. Within this workshop, the leader can leverage the platform to introduce the leadership to the potential of financing an innovation programme, utilising the desirability-feasibility-sustainability framework as a guiding framework.

1. To bolster trust and instil confidence, leaders may employ case studies and anecdotes from other companies that have ventured into investments within this domain. These real-world examples can offer valuable insights and inspire trust in the proposed strategy.
2. Moreover, the leader can proactively address pertinent compliance and regulatory aspects related to funding an innovation programme. This proactive approach allows for the identification and resolution of any concerns that may arise during the workshop, ensuring a well-informed and confident leadership team as they embark on the innovation journey.
3. Securing support from top leadership is critical, as it offers the essential authority, resources, and strategic direction for innovation initiatives. Following this foundational step, emphasise the importance of building internal capacity among stakeholders in the meeting to foster a culture of innovation and collaboration within the organisation.

Step 4: Facilitate Capacity Building of Key Stakeholders

After securing leadership buy-in, it is crucial to focus on capacity building among key stakeholders. This involves providing training, and resources, and developing the skills necessary for active and meaningful participation in innovation efforts. It also includes acquainting them with the intent, feasibility, and business case for funding innovation, as well as fostering awareness of the innovation cycle, key players, resource allocation, and governance and monitoring processes.

PHASE 3: CRAFTING AN INNOVATION LIFE CYCLE-CENTRIC STRATEGY

Based on our discussions with corporate leaders, a corporate's strategy to support and accelerate innovation should be customised to align with the distinct stages of the innovation cycle. Adopting this approach enables corporates to strategically allocate resources within their existing budgets, establish valuable partnerships tailored to the specific support required at each lifecycle stage, determine non-financial support requirements, and develop monitoring and evaluation systems to enhance program outcomes. Corporate teams can use the program design matrix available below to facilitate decision-making, and accordingly craft a comprehensive innovation programme, detailing key parameters, implementation methodologies, partnership models, type of financial and non-financial support that can be extended, and budget allocation.












	1	2	3	4	5
Which stage of innovation can I fund?	Identification & Ideation	Prototyping & Validation	Implementation & Traction	Scaling & Diffusion	Market Mainstreaming
Description	Entrepreneur has an idea and is working on bringing it to life	Start up has a prototype ready and needs to validate demand	Start Up's product/service is launched, and traction is measured through indicators	Start up is experiencing fast rate of market growth and increasing revenues	Market is established and a collaborative ecosystem
Which funding innovation model am I seeking to adopt?	<p>CSR can assist by either establishing their own initiatives or partnering with others.</p> <p>MAKERSPACES</p> <p>INCUBATORS</p> <p>ACCELERATORS</p>				
How should I structure my budgetary allocations?	<p>Our conversation reveals that CSR initiatives focused on innovation allocate of their CSR budget to support innovative projects about 40%</p> <p>CSR BUDGET < 10CR CSR BUDGET > 10CR</p>				
What non-financial opportunities can my company offer?	<p>Our research suggests that non-financial support remains consistent throughout the innovation cycle, as it can be customized based on the specific stage of development</p> <div>  Employee Volunteering Programme  Access to networks and partnerships.  Strategic mentorship with industry stalwarts </div> <div>  Physical and Digital Infrastructure (Office space, co-working space, etc)  Open access platforms for resource sharing  Capacity building through tailor-made skilling workshops </div>				
How can I use my financial assistance?	<p>Corporates support innovation at all stages, offering seed grants in stages 1 and 2, priority grants during acceleration, and aiding incubator capacity building throughout.</p> <p>Seed Grants for Start-Ups (CSR partnerships can promote innovation through challenges and fellowships, beyond just funding startups)</p> <p>Funding incubators for capacity building, including talent acquisition and incubation infrastructure development.</p>				
Examples of CSRs involved	    				

Figure 15: Design Matrix for Crafting a Lifecycle-Centric Innovation Programme

The following sections contain guiding points and questions that can assist corporate leaders in determining which stage of the innovation lifecycle to prioritise, the type of partners to collaborate with, the financial and non-financial support needed, and budget allocation. This section also includes practical examples of corporates that have undertaken similar journeys to design their innovation strategies successfully. Detailed case studies are available in the *annexure* for corporate leaders' reference.

3.1 What are the Different Stages of Innovation that the Strategy Can Focus On?

An innovator's journey typically goes through five stages, which require varying types of financial and non-financial avenues from different ecosystem players to amplify growth at each stage.

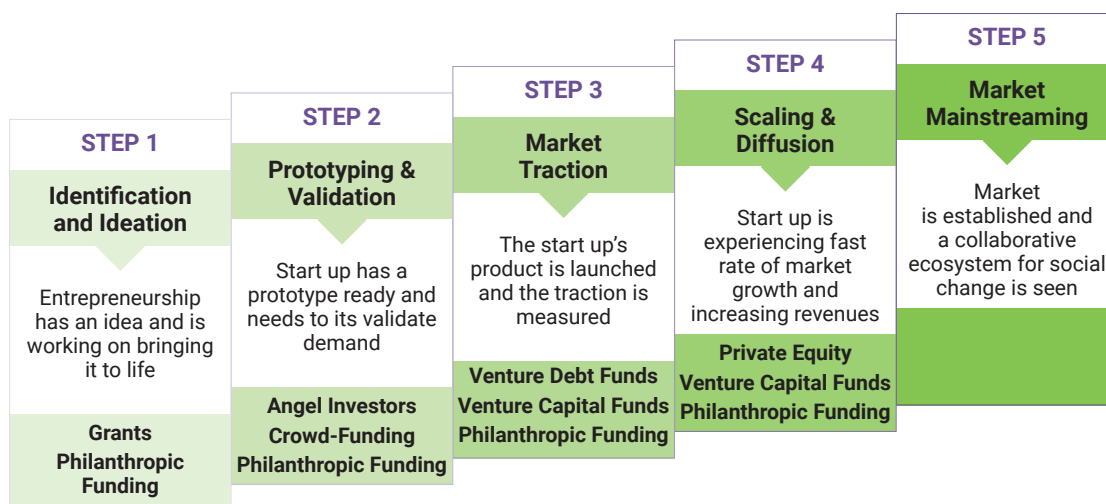


Figure 16: Innovation Lifecycle

Step 1: Identification of the Issue to be Addressed and Ideation of a Possible Solution

At the identification and ideation phase, early innovators embark on a journey to identify the problems they intend to address, and are passionate about exploring potential solutions. In this stage, it is also essential to encourage and empower promising young innovators to devise novel solutions for addressing critical challenges and needs within India. Corporates can play a vital role in this endeavour by forming partnerships with existing entities dedicated to nurturing innovators during this early stage of development, or leveraging existing open-source platforms for resource sharing, and ideation.



The partnership between Dell Technologies, NITI Aayog, and Learning Links Foundation aims to empower the younger generation by providing them with essential tech skills and mentorship, with the ultimate goal of transforming them into entrepreneurs.

The partnership, initiated in 2017, has established numerous Atal Tinkering Labs and launched four programmes, including Game Development, Student Entrepreneurship, SheCodes Innovation, and Emerging Technologies. These programmes provide students with practical skills and opportunities, resulting in notable achievements like the **development of an affordable Water Quality Analysis System by two school girls**. This collaboration highlights the power of tech education, innovation, and entrepreneurship to address challenges in underserved communities.

Step 2: Prototyping of the Solution and Validation of its Demand in the Market

In this phase, innovators transform their concepts into prototypes, be it physical, digital, or service-based. These prototypes serve as practical tests while engaging potential stakeholders to assess market demand. Through feedback and research, innovators refine their prototypes to better meet market needs, enhancing their chances of success upon full launch. However, this iterative process often requires funding, and startups commonly face challenges in validating demand. To aid them, CSRs can provide grants, workshops, mentorship, technical support, and infrastructure like R&D labs and manufacturing units, facilitating the development of sustainable innovations.



Alstom, a leader in sustainable mobility, partnered with NSRCEL-IIMB to launch the Sustainable Incubation Program, emphasising the pivotal role of funding and support in nurturing sustainable innovation among startups.

Since its launch in 2022, this initiative has been fostering the **development and market entry of eco-friendly technological solutions** across diverse sectors, including sustainable mobility, last-mile connectivity, logistics, green buildings, consumption management, agriculture equipment, upcycling, and waste management. High-potential startups receive funding grants of **INR 1.5 crores each**, split across two cohorts, **alongside tailored support services such as mentoring sessions, workshops, and networking opportunities**. Noteworthy startups like **Metroride**, which enhances last-mile connectivity, and **Volar Alta**, utilising drones for toxic material inspections in manufacturing units, exemplify the programme's impact in promoting sustainability and innovation within the mobility ecosystem. By actively contributing to the adoption of electric vehicles and addressing mobility challenges, these startups are pivotal in shaping a more sustainable future.

Step 3: Measuring Implementation and the Success of the Product in the Market

After successfully launching its product or service, the startup diligently evaluates its traction and gathers customer feedback through various key performance indicators (KPIs) like user adoption, market share, and customer input. This crucial step not only aids in gauging the market value, but also opens doors to potential additional funding opportunities.

During this phase, CSR engagement is pivotal in not only providing access to industry experts and platforms for resource sharing and skill enhancement, but also leveraging their established networks from other programmes. This support includes facilitating product testing and closely monitoring its performance before introducing it to a broader market.



SBI Foundation initial collaboration with Villgro to empower early-stage startups through a revolving fund model had led to the launch of 'Innovators for Bharat', a dedicated incubation programme addressing key development challenges with a budget of INR 10 crores.

SBI Foundation directs part of its CSR funds to foster innovation and assist early-stage enterprises. At the core of the program is a **revolving fund structure**: SBI Foundation grants funds to Villgro, which allocates a portion for administrative costs and invests the remainder in carefully chosen startups. The selection process, conducted jointly with the Foundation, evaluates team capabilities, product viability, and overall value. Integrating startups into its network, SBI Foundation provides essential **financial guidance**, while Villgro offers **tailored support over a one-year incubation period**. Startups like **Charzer** (renewable energy) and **Urdhvam** (sustainable groundwater management) have experienced significant growth and secured substantial follow-on funding. Building on the success of this partnership, SBI Foundation has launched the dedicated incubation program, "**Innovators for Bharat**", to support high-impact incubators addressing critical development challenges in themes like Climate Change, Climate Resilient Agriculture, and Antimicrobial Resistance. With a budget of INR 10 crores, Villgro and C-Camp are implementing partners, expected to benefit around 30 startups.

Step 4: Scaling and Market Adoption of Innovation

As a startup grows rapidly and boosts its revenue, it focuses on scaling, expanding into new markets, forming partnerships, gathering feedback, executing marketing strategies, ensuring scalability, managing finances, monitoring performance, allocating resources, and mitigating risks for widespread, quality-driven success. The role of CSR contributions, mentorship, networking, infrastructure support, and employee volunteering programmes is vital for innovative solutions to business challenges.



Mercedes-Benz

Mercedes-Benz Research and Development India (MBRDI), through its Innovation for Transformation Programme, accelerates startups with a clear impact as a KPI.

MBRDI has strategically aligned its CSR initiatives with a focus on social mobility and the UN Sustainable Development Goals. It connects start-ups with relevant employees and provides financial support, mentorship, market guidance, and access to Mercedes-Benz's 25 years of R&D expertise in India. It has accelerated eight mobility organisations, resulting in 30 innovative products that enhance accessibility. For example, MBRDI's support accelerated Sheru, an e-mobility startup, which established battery-swapping infrastructure for e-rickshaws, increasing drivers' daily income by up to INR 500 and reducing carbon emissions from 2 million miles travelled daily.

Step 5: Market Mainstreaming

In this phase, a well-established market exists alongside a collaborative ecosystem for driving social change. This ecosystem facilitates networking opportunities for stakeholders to connect and collaborate effectively. Capacity-building efforts, including skill workshops, elevate the capabilities of individuals and organisations within the ecosystem. Additionally, industry support and mentorship from experts fortify this ecosystem, offering guidance and expertise to foster sustainable growth and maximise the venture's impact.



Cisco, and Social Alpha, a multistage innovation curation and venture development platform, collaborated to launch the Krishi Mangal Market Access Scale-Up Accelerator, addressing the challenges smallholder farmers face in adopting agricultural technology.

Launched in January 2020, this 18-month initiative focuses on empowering AgriTech startups dedicated to climate-resilient agriculture and rural livelihoods. *Through offerings like market access, field implementation support, scale-up grants, and comprehensive venture acceleration services, Krishi Mangal significantly improves the lives of smallholder farmers.* In its inaugural year, the programme supported 5 Agri-tech startups, benefiting over 17,000 farmers with a minimum income increase of 10%, generating 200 jobs, and aiding 500 micro-entrepreneurs. As Krishi Mangal enters its second year, Cisco expands the programme, accelerating 7 startups committed to developing climate-resilient agriculture solutions and further contributing to market mainstreaming.

3.2 Who are the Different Players in the Innovation Ecosystem and Which Model Should I Seek to Adopt?

The social innovation ecosystem in India involves a multistakeholder collaboration by a diverse range of players, each assuming a unique role in promoting innovation.



INCUBATORS/ACCELERATORS

Incubators serve as a direct launchpad for startups to develop their ideas and scale them in the market. Incubators may also choose to run accelerator programmes. Their support system includes advisory support, providing networking opportunities, co-working spaces and growth funds.



MAKERSPACES

Makerspaces are collaborative workspaces inside a school, library, or separate public/private facility whose main purpose is to develop critical 21st century skills through hands-on and experiential learning.



ACADEMIC/R&D INSTITUTIONS

R&D institutes are forums for creation and exchange of new ideas, and for development of new products or processes.



SOCIAL STARTUPS

Social startups are newly established, market-oriented ventures committed to solving cultural, environmental or social problems.



NON-PROFIT ORGANISATIONS

NPOs are directly involved in frontline operations to support innovation-related activities. Their support can vary from training innovation coaches in makerspaces to providing delivery support to social startups for the wider adoption of their innovation.



FUNDERS & INVESTORS

Funders and investors can support a product or an organisation's by providing funds to ensure a pilot idea can gain and maintain their momentum at scale.



GOVERNMENT

Governments play a key role in fostering an ecosystem for public and private companies, organisations and institutions to participate and mobilise innovation. The Indian government has implemented policies, reforms, initiatives and schemes to encourage multi-stakeholder engagement and bolster innovation in the country.

Figure 17: Types of Stakeholders in the Innovation Ecosystem

Incubators/Accelerators: Incubators and accelerators play crucial roles in supporting businesses at different stages of growth. Incubators primarily focus on nurturing early-stage businesses by helping them develop their ideas into viable products or services. They provide valuable resources such as mentorship, infrastructure, and access to funding opportunities. On the other hand, accelerators specialise in accelerating the growth of established businesses that demonstrate high growth potential. They offer financial support, mentorship, and networking opportunities to companies that already have a viable product. For example, T-Hub in Hyderabad and IIM Ahmedabad's Centre for Innovation Incubation and Entrepreneurship (CIIE) have nurtured several successful startups by offering mentorship, infrastructure, and access to funding opportunities.

Makerspaces: Makerspaces are collaborative workspaces commonly found in educational institutions, libraries, or dedicated facilities. They foster activities such as making, learning, and sharing, while also developing critical 21st-century skills, especially in STEM and STEAM fields, through hands-on experiences. One prominent example is the Maker's Asylum, India's first community maker space situated in Mumbai, which provides a platform for individuals to explore and develop their innovative ideas through access to tools, workshops, and a community of makers.

Academic/R&D Institutions: Academic and research institutions play a crucial role in driving innovation in India. Institutions like the Indian Institutes of Technology (IITs) and the Council of Scientific and Industrial Research (CSIR) contribute significantly to research and development. These institutions foster innovation by conducting cutting-edge research, collaborating with industries, and nurturing entrepreneurial talent.



Capgemini, through its Tech4Positive Futures initiative, the Applied Innovation Exchange (AIE) in Mumbai collaborated with the academic institute, IIT Madras in 2020 to combat manual scavenging in India.

This co-innovation utilises state-of-the-art SIRS robots, replacing human labour to inspect and clear small-diameter sewer lines. **Capgemini's AIE teams provided technical guidance, and IIT Madras contributed to research, knowledge exchange, and proof-of-concept development.** The impact includes not only eliminating manual scavenging but also improving waste recovery efficiency and quality, transforming lives and promoting innovation in the field. So far, this partnership has deployed 25 robots across 10 different states in India.

Social Enterprises: Social startups are newly established ventures that are market-oriented and dedicated to addressing cultural, environmental, or social issues through innovative solutions. One notable example is the SELCO Foundation, which focuses on providing sustainable energy solutions to underserved communities.

Non-profit Organisations (NPOs): NPOs actively engage in frontline operations to support innovation-related activities. Their support can vary from training innovation coaches in maker spaces, to providing delivery support to social startups for the wider adoption of their

innovation. For example, organisations like Villgro focus on providing mentoring and funding support to social enterprises. NGOs like Agastya International Foundation run mobile science labs to promote hands-on learning and innovation among students in rural areas.

Government: Governments play a key role in fostering an ecosystem for public and private companies, organisations and institutions to participate in and mobilise innovation. The Indian government has implemented policies, reforms, initiatives and schemes to encourage multi-stakeholder engagement to bolster innovation in the country. The Atal Innovation Mission, under the NITI Aayog, aims to create a network of Atal Tinkering Labs in schools to promote innovation and entrepreneurship among students.

Funders & Investors: Funding is essential for supporting innovative ideas and organisations. Various entities contribute to this process, including venture capitalists, angel investors, corporate investors, government agencies, crowdfunding platforms, and CSR funding.

In the innovation ecosystem, CSRs, particularly, can choose to establish their initiatives or collaborate with maker spaces, incubators, and accelerators endorsed by DST and hosted within academic institutions.

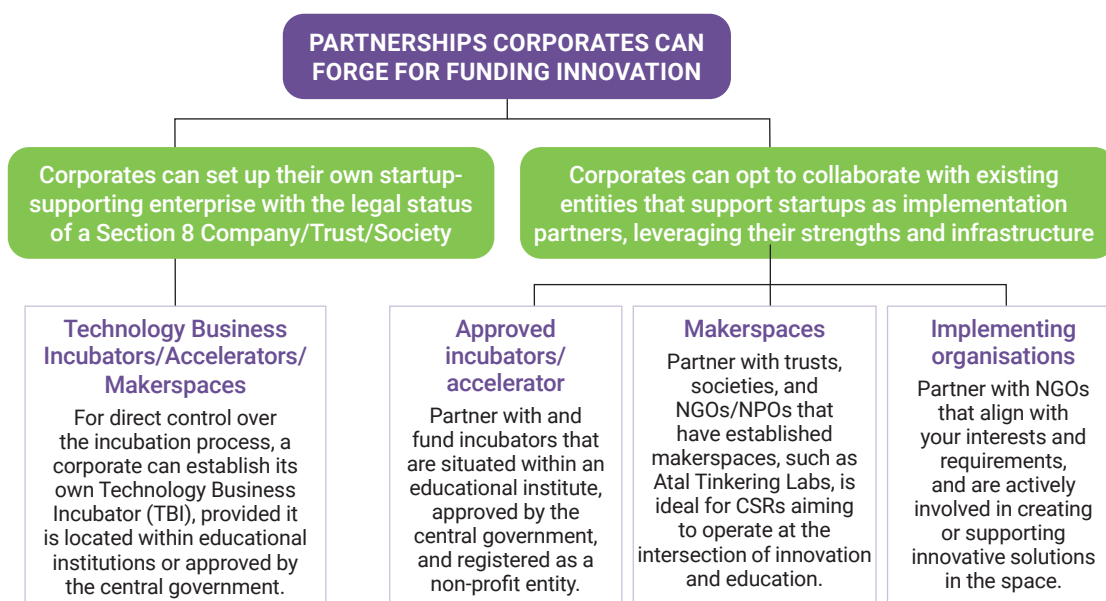


Figure 18: Types of Partnerships CSRs can Forge to Fund Innovation

3.3 How Should I Structure My Budgetary Allocations?

Our research and discussions indicate that CSR initiatives dedicated to funding innovation typically allocate approximately 40% of their CSR budget toward innovative projects. While this allocation can vary depending on individual preferences, it generally reflects the larger budgets and extended time frames required for innovation endeavours.

Companies with a CSR budget for innovation of less than INR 10 Crore can support the initial two stages of ideation and prototyping. This is because during these stages, startups are primarily engaged in conceptualising and testing ideas on a smaller scale, necessitating fewer resources in terms of materials, equipment, and expertise. These early phases also serve as a means to mitigate risk and uncertainty, allowing organisations to assess the feasibility of their innovations with a relatively modest financial commitment before proceeding to larger-scale implementation. Furthermore, ideation and prototyping involve a process of learning, adaptation, and market testing, which is more cost-effective to execute prior to scaling up efforts.

Conversely, companies with a budget exceeding INR 10 Crore can extend their support to stages beyond Stage 3, which includes implementation, scaling, and mainstreaming. During implementation, traction, and mainstreaming, organisations need to scale up production, marketing, and distribution efforts, which are resource-intensive activities typically associated with these later stages of innovation. These later phases demand greater resources and financial commitment as they aim to capture larger market segments and establish sustainable growth.

3.4 How Can I Use My Financial Resources?

Companies can harness their financial resources to promote innovation through two primary avenues. The first approach involves offering seed grants, which can be channelled toward startups via incubators and accelerators. These funds play a crucial role as capital injection for startups, especially during their initial three developmental stages. These grants can take various forms, such as grants offered through innovation challenges, fellowships, or similar programmes.

“As a corporate entity, we have always believed that we engage with our partners more deeply and create programmes and projects with the convergence of the company’s strengths and values. Bringing together collaborators creating interventions that are needed and filling a gap of support that might exist. Design Impact (DI) Initiative is a programme that supports design for social good. Bringing innovation and effective design thinking to the fore, the grants under the DI Awards ensure a customised approach for each of the grantees, taking account of their challenges and helping them reach the market and scale up.”

– Ms Ritika Gandhi, Deputy Group Manager, Titan CSR



Leveraging its design expertise, Titan has introduced the Design Impact initiative, creating an ecosystem where designers, innovators, and entrepreneurs collaborate to tackle social issues affecting underprivileged communities and the environment.

Apart from the grants associated with the DI Awards, Titan's Design Impact Initiative encompasses The DI Movement, an inclusive programme featuring an open learning platform aimed at demystifying social design and entrepreneurship. *Through thoughtfully curated masterclasses, opportunity statements, and a robust support network, this initiative empowers students in design, engineering, and architecture to apply their skills to address social needs.* The platform serves as a central hub for initiating projects, fostering discovery, promoting learning, and providing ongoing assistance throughout the design process.

Beyond financing startups, these funds can strategically enhance the innovation ecosystem, particularly by investing in the capacity building of incubators. This involves upgrading physical infrastructure, recruiting top talent, adopting cutting-edge technology, engaging experienced mentors, streamlining processes, and instituting evaluation mechanisms. Consequently, CSR funding not only benefits individual startups but also contributes to the growth and resilience of the entire innovation ecosystem.

3.5 What Non-financial Opportunities Can My Company Offer?



Corporate volunteers in Employee Volunteering Programmes serve as change ambassadors, now deeply integrated into the development ecosystem. They provide valuable business insights to startups and promote corporate social responsibility. Companies can motivate employees to volunteer their time and expertise, backing meaningful initiatives. Thoughtful programmes let employees act as mentors, advisors, or advisory board members, offering guidance to enhance startup concepts and strategies.



CSR and corporate philanthropy initiatives can grant startups access to their physical and digital infrastructure, encompassing office space, co-working areas, labs, equipment, and technology. This backing substantially lowers startups' operational expenses, furnishing essential resources for research, product development, and testing.



Companies can develop open-access platforms where startups can access resources, such as data, software, or research, for free or at a reduced cost. This promotes innovation by reducing barriers to entry.



Establishing networks and partnerships can also help startups connect with potential collaborators, investors, customers, or suppliers. Access to these networks via networking events, seminars and so on can significantly enhance a startup's visibility and opportunities.



Strategic mentorship programmes involve industry veterans offering guidance to startups in areas like marketing, sales, finance, and operations. These mentors share their expertise, experiences, and networks to assist startups in overcoming challenges, and making informed decisions.



To enhance the skills and knowledge of startups, corporates can offer capacity-building workshops, boot camps, and tailored training programmes to startups. These workshops encompass various topics, ranging from business planning, financial management, and marketing strategies to product development, fundraising, and legal and regulatory compliance. Additionally, they also address softer skills like leadership management. Through access to expert trainers and abundant resources, corporates can equip startups with the necessary tools to succeed.



CISCO, in collaboration with NASSCOM Foundation, promotes social innovation, through the "thingQbator" initiative.

Originally conceived as an internal IoT incubator, thingQbator has evolved into a university programme aimed at accelerating innovation and entrepreneurship in emerging technologies. This global makerspace community equips students with **hands-on experience, digital technology resources, and in-depth mentoring support** to transform their ideas into practical prototypes and address local community challenges. Cisco supports these young innovators by providing **seed grants, incubation assistance, expert-led training, practical workshops, cloud infrastructure access, industry mentoring, and collaboration opportunities with established startups.**



Choosing the Right Partner Organisation

Identify nonprofit partners, draft a detailed Request for Proposal with LFA, and select a partner through pitching and review



Conduct Due Diligence, Compliance Assessment, & Sign the Memorandum of Understanding (MoU)

Verify organisation's compliance, gather due diligence documents, and request further information for a comprehensive assessment, if required



Setting up M&E Process with Exit Strategy

Use Programme Theory of Change and Grantee Reporting Framework for M&E Metrics with a defined exit strategy



Programme Launch and Implementation

Corporate Programme Launch with activities defined in the LFA, Launch Event, and Start Idea Review

Figure 19: Stages of Launching the Innovation Programme

PHASE 4: LAUNCHING INNOVATION PROGRAMME WITH STRATEGIC PARTNERS, ROBUST M&E METRICS AND A CLEAR EXIT STRATEGY

1. Choosing the Right Partner Organisation

In Phase 3, the corporate can align on key parameters of the innovation programme design. Once there is sign-off from all key internal stakeholders including the leadership, the CSR and corporate philanthropy team can start planning for the programme implementation on-ground.

- a. Identify a longlist of potential TBIs/SSEs (non-profit) that are working in the priority thematic areas, as aligned with the leadership in the strategy.
- b. Shortlist 10-12 organisations based on initial filtering criteria such as basic credibility check, past donors, and established area of expertise (that is, proven work experience in innovation and the relevant thematic areas).
- c. Prepare a Request for Proposal (RFP) inviting proposals for an innovation programme. The RFP can include points such as
 - Organisation details
 - Basic due diligence (such as TBI/Non-profit registration (as applicable), 80G, 12AB, annual reports, website link)
 - Programme design, including details about the stage of the innovation life cycle which is to be funded, the thematic focus of innovation ideas/early-stage start-ups that are to be supported, who are the target indirect beneficiaries, and so on. (You can find a sample Incubatee Selection Framework template [here](#))
 - Programme execution with details such as invitation and selection criteria of ideas/ startups, capacity building/training/support to be provided to startups as per the innovation life cycle
 - Detailed Logical Framework Analysis (LFA) capturing the list of activities planned under the innovation programme including linked milestones, outputs and outcomes (You can find a sample LFA Framework Template [here](#))
 - Programme monitoring plan with key indicators of progress
 - Detailed budget of the innovation programme including allocation for seed grant (if applicable)
 - Details of non-financial leverage from the corporate, such as employee volunteering for mentorship support, and expert sessions to be integrated into the programme
 - Plan for branding and outreach
- a. Proposal evaluation with scoring across key parameters
- b. The top 3 to 5 organisations can also be asked to pitch their proposals for a final round of review to the leadership. Based on final leadership inputs, the partner organisation can be selected.

([Here](#) is a sample Programme Process Update Framework Template that includes these steps.)

2. Conduct Due Diligence, Compliance Assessment, and Sign the Memorandum of Understanding (MoU)

- Ensure that all compliance requirements of the selected organisation are in place.
- Collect basic due diligence documents from the selected organisation for review.
- Seek additional information/documents as required to check the overall health of the organisation, internal compliance policies, etc.

3. Setting Up M&E Process with Exit Strategy

When it comes to TBI funding and CSR regulations, corporates are obligated to disclose their contributions in annual reports. There is no specific mandate for conducting impact assessments. However, when it comes to supporting SSEs, it is crucial to establish robust monitoring and evaluation (M&E) practices. In any case, it is highly recommended to have M&E procedures in place to guarantee the effectiveness of the financial and non-financial investments, and to identify any pivots that may be required.

M&E typically comprises two main components:

i. Programme Theory of Change (TOC): This will define key short-term and long-term outcomes under the innovation programme (3-5 years). This comprises of building blocks that are

- Long-term outcome: The 3- or 5-year-long-term goal for the innovation programme
- Intermediate and short-term outcomes: These outcomes enable and contribute towards the long-term outcome
- Activities: Specific programme activities with outputs to achieve key outcomes

Here's a sample TOC for a corporate-funded incubation programme in the automotive industry, aiming to reduce greenhouse gas (GHG) emissions from vehicles.

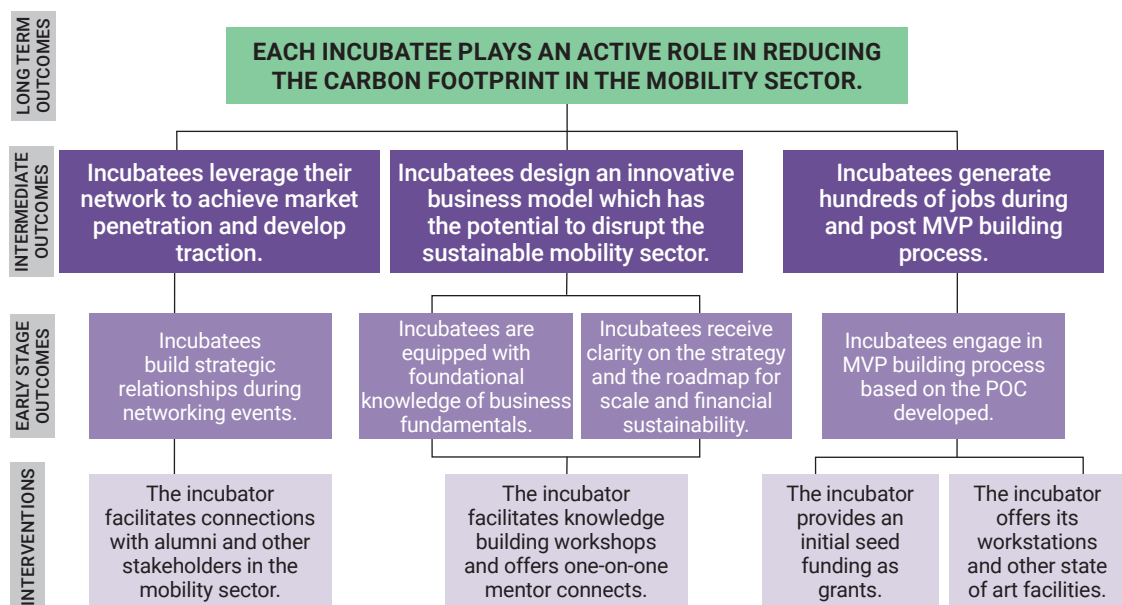


Figure 20: Sample TOC for a corporate-funded incubation programme in the automotive industry, aiming to reduce greenhouse gas (GHG) emissions from vehicles.

ii. Grantee Reporting Framework for Incubatees/Startups: This framework simplifies reporting for grantees, emphasising efficiency and shared learning. It addresses the challenge of balancing comprehensive reporting with project management by encouraging a reflective approach. A customisable template, tailored to corporate needs, is provided as a starting point for capturing essential information effectively. (You can find a sample Framework Template [here](#))

When establishing the M&E process, it is equally imperative to incorporate an exit strategy. It is strongly advised that corporate programmes, particularly long-term CSR initiatives, embrace a well-defined exit or sustainability strategy. In the context of an innovation programme, the following key considerations are recommended:

- Establish a clear model of operation for the innovation programme.
- Build an ecosystem of mentors, expert panels, and faculty to support a new set of incubatees, and startup solutions.
- Set up a governance structure within the existing incubator/accelerator with the potential for long-term support to new incubatees/startup solutions.
- Create an alumni network of incubatees/startups supported under the CSR grants and Corporate Philanthropy initiatives for mutual learning and growth opportunities in the long term.

4. Programme Launch and Implementation

Once the programme design and M&E process are set in place, the corporate can launch the programme based on the activities and programme plan detailed out in the LFA. The programme can be initiated with a launch event, after which startup ideas and solutions can be submitted for consideration.

“Akamai’s Accelerator Programme features a meticulous 12-month incubation journey that places significant emphasis on the robust selection process. The process involves a multi-stage interview, starting with a thorough application review. Factors like innovation, customer validation, social impact potential, and founder backgrounds are carefully considered. A selection committee from Akamai Technologies India CSR Trust then chooses the final participants, ensuring only the most promising innovators gain access to the programme’s support and resources.”

– A CSR employee at Akamai



Akamai's Accelerator Programme, in collaboration with the International Centre for Clean Water (ICCW) led by the Indian Institute of Technology Madras, is fostering impactful water conservation solutions through a robust M&E approach.

The 12-month cohort-based initiative ***employs a rigorous selection process, evaluating factors like innovativeness, proposed solutions, customer validation, and social impact potential.*** Selected startups undergo a transformative boot camp, covering customer discovery, product-market fit, and social impact metrics, while personalised mentoring sessions and access to ICCW's labs and resources empower them for success. Since its inception in 2020, the programme has graduated seven startups, showcasing innovations from low-cost field test kits to AI-ML for aquaculture. The ongoing Cohort-4 continues to make strides, focusing on atmospheric water generation, real-time water supply monitoring, and more, contributing to a sustainable future.

Informing the Incubators and Innovation & Entrepreneurship Supporting Entities (I&E-SE)

4.1 What Should Incubators Prepare For?

In light of the phase-wise approach that corporates need to take, it is crucial to consider the expectations of the corporates that startups should be prepared for. Philanthropic capital funders and innovation-promoting entities, such as incubators, can collaborate to design programmes and interventions tailored to meet their specific needs. Various channels for philanthropic capital to support the Innovation and Entrepreneurship (I&E) ecosystem include:

1. Launching innovation challenges
2. Providing grants to startups through incubators
3. Initiating fellowship programmes
4. Supporting infrastructure setup like makerspaces and research labs, and
5. Engaging in service agreements with startups through a foundation.

In our discussions with incubators, addressing queries that I&E supporting entities might have is crucial, and the following section aims to provide answers.

Eligibility for CSR and Legal Compliance:

- Besides non-profit entities, any incubator supported by central, state, and public sector units is eligible.
- The entity should have 12A and 80G certificates in place
- Legal compliance requirements include building a project proposal, identifying supportive CSR or corporate philanthropic initiatives, and approaching them.

Nature of Investment

- Incubators can invest in startups through soft loans or equity investments, and are entitled to receive returns from the startups they support.
- Socially Supporting Entities (SSE) offer grants, infrastructure, and mentorship, and can provide debt and equity investments. Tax-exempt SSEs may face taxable implications for investments over time.

Tax Implications

- **For Incubators (TBI):** Under Section 12AA, a TBI can attain tax exemption, subject to fulfilling conditions like allocating 85% of income for charitable purposes, conducting activities exclusively within India, and undergoing financial audits.
- **For Corporates:** CSR spending leads to tax exemption under Section 80G, with contributions to registered TBIs qualifying for a 50% deduction from taxable income, subject to approval.

Change in Impact Assessment Approaches

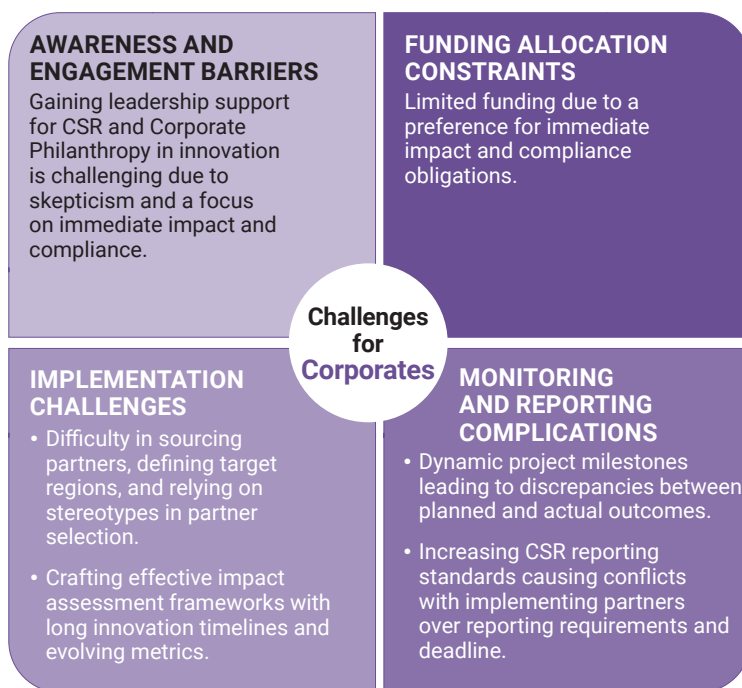
- Under TBI, assessing individual impacts of contributions from different corporates is logistically challenging. However, designating CSR and corporate philanthropic contributions for specific activities enables feasible outcome evaluations. While CSR regulations mandate disclosure in annual reports, there is no explicit requirement for companies to conduct impact assessments.
- Under SSE, the not-for-profit entity handles project implementation, while companies are responsible for monitoring.

Path Ahead: Addressing Roadblocks for Success

Our research has unveiled a pervasive lack of clarity among all stakeholders in the innovation ecosystem, resulting in various roadblocks. Both corporates and incubators encounter challenges in curating, collaborating and governing programmes.

Corporates confront issues stemming from limited knowledge about potential pathways to support innovation, leading to constraints in fund allocation. The lack of awareness, accessibility, and prevailing stereotypes further hinder corporates in sourcing and scoping implementation partners for innovation-focused programmes aligning with CSR principles.

A survey conducted by Invest India found that within CSR companies, 24% were unaware that technology incubators qualify for CSR funding and 45% of those contemplating investments in technology incubators expressed a lack of information regarding incubators and suitable investment opportunities.¹⁷



Consequently, there are specific actions that necessitate careful consideration by corporates, both during the decision-making process and throughout the implementation phase of funding innovation.



Enabling corporate exposure to the social innovation ecosystem is an important step to address the lack of awareness or scepticism amongst corporates while supporting innovation. This involves developing a deep understanding of the different entities that implement innovation-focused programmes and can receive CSR funds. The corporates must understand the different types of innovation programmes, their objectives, and the outcomes that these programmes will achieve.

- **Leverage open-source knowledge repositories** created by various supporting organisations such as Sattva, Dasra, and Samhita, who work towards bridging this information gap.
- **Seek inputs from industry experts** who can direct the corporate towards incubators/ makerspaces working in a specific thematic area or with innovators belonging to specific demographics.
- **Attend ecosystem-level events** to build familiarity with different types of models of engagements that can be used to fund innovation-focused programmes via CSR and corporate philanthropy.
- **Develop a platform where incubators, accelerators and corporates can engage and collaborate** through a multi-channel approach to this platform. By organising focused gatherings, both corporate entities and incubators can generate interest and momentum for their initiatives, thereby fostering a culture of collaboration throughout the ecosystem.



Corporates need to align on the objectives, high-level outcomes and nature of support to be provided to the grantees at the outset. It helps in designing a robust programme with specific outcomes in the medium-to-long term that can be explored. The corporates may select a specific problem statement and work with innovation-focused entities to support potential solutions.

- The corporate should develop a **detailed understanding of the short, medium and long-term objectives** and outcomes of the innovation-focused programme and get alignment from its leadership.
- The corporate and implementing agency must **align on the nature of funding provided by the corporate**, seed funding as grants and other capacity-building support during the programme scoping phase itself. Social enterprises and nonprofits focused on innovation require time and resources to develop and scale their solutions.
- At this stage, it is important for the corporate to have a **growth mindset regarding the nature of outputs**, which may be different from traditional CSR impact metrics, that innovation-focused programmes will achieve.



Innovation and entrepreneurship need support beyond grants. It requires that corporates explore other avenues of involvement beyond funding to accelerate the impact of innovation-driven programmes.

- It is good practice to have **corporate representation in the incubatee selection committee**, since they can bring more expertise on board while also creating transparency and trust between the corporate and the incubator. During the selection process, the shortlisting for the initial rounds can be undertaken by the incubator, while the final selection can be done with consensus between the corporate and the incubator.



Creating a detailed log-frame-matrix, outlining the inputs, outputs, impact and outcomes of the programme provides a structured approach for corporates to plan, monitor, evaluate, and communicate the outcomes and impacts of their innovation funding initiatives. It promotes accountability and transparency by enabling both the corporates and the recipient organisations responsible for delivering on their

commitments. It enables them to make informed decisions, improve performance, and demonstrate their contribution towards creating a positive social and environmental impact.

- **Input indicators** are ideal for the first two years, which include the activities undertaken by the incubator, such as the number of start-ups onboarded, the number of mentorship sessions held, and so on.
- **Output indicators** include the results of the intervention – such as the number of prototypes developed, additional funds raised, and so on, while impact indicators are suited for the long term, and can include the number of individuals employed, percentage reduction in carbon footprint, and the number of decent jobs created.
- **Outcomes are the medium-to-long term results** of the interventions of the programme. Classification of indicators as those achieved by the incubation programme as a whole, and those achieved by the incubatees is important.
- As part of creating this framework, it is important to build **relevant but flexible Key Performance Indicators (KPIs)**, to create more room for experimentation, enabling greater ownership and the ability to move according to ecosystem demands. KPIs for nonprofits and social enterprises also need to be differentiated due to differences in structures, objectives and ways of functioning. Flexible KPIs can consider long-term impact rather than short-term outcomes, encouraging sustainable growth and fostering innovative practices.

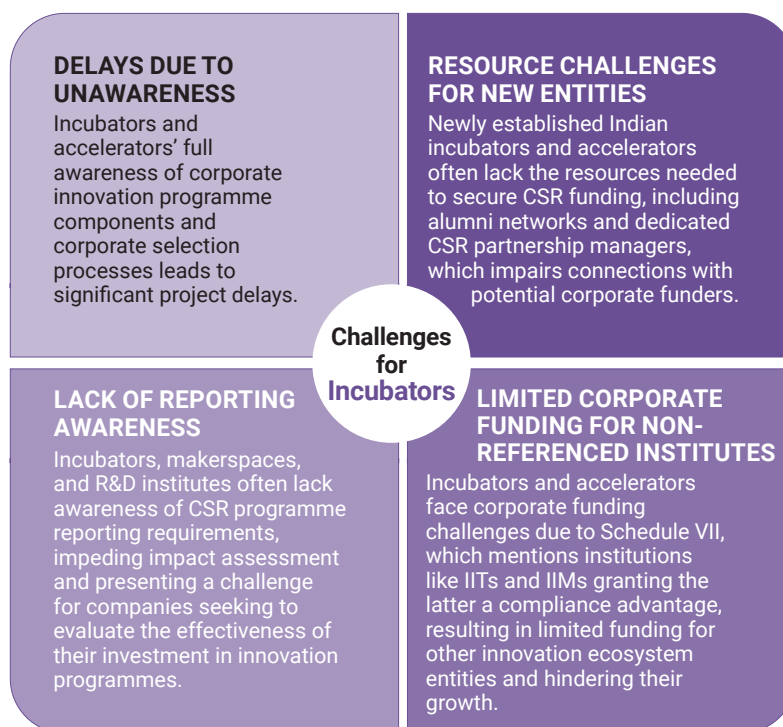


Another best practice to implement while funding innovation is to finalise the concurrent Monitoring and Evaluation (M&E) process with the implementing agency. This would allow for clarity of expectations, early identification of M&E needs, enhanced data collection and quality, proactive project management, and efficient resource allocation.

- The log-frame-matrix framework can be leveraged as a base for developing a **programme progress update template**, resulting in the corporate effectively monitoring the achievement of programmatic milestones and fund utilisation by corporate-supported programmes.
- **A robust feedback mechanism** – by setting up regular data collection and reporting mechanisms to capture relevant information throughout the project lifecycle – helps in continuous learning, real-time course correction and effective scaling and replication of successful models.
- The corporate must **align on the frequency of receiving programmatic and financial updates** from the implementing agency, and share any formats for reporting that will enable the corporate to have a holistic update on the programme.

Conversely, incubators and accelerators face project delays due to a limited understanding of CSR and corporate philanthropy processes. Makerspaces and R&D institutes encounter reporting challenges, impeding the evaluation of corporate investments. Intellectual property disputes add complexity to collaborations, and new incubators lack resources for funding. Formal channels for collaboration are limited, and social enterprises struggle with early-stage mainstream funding due to the absence of long-term commitments from corporates, impacting incubator support for startups and makerspaces.

While this guidebook is an attempt to enable greater visibility and transparency around some of these issues, we propose steps for the incubator ecosystem to unlock the potential of institutions and individuals, fostering innovation for India's developmental challenges.



Public knowledge platforms, reports such as this guidebook, and an increased number of ecosystem conversations can help enhance awareness and understanding of the various approaches and models that may be adopted by corporates to support innovation-focused programmes.

- It can also help **corporates broaden their reach across incubators** that are doing good work and are supporting some scalable social impact solutions.
- There also needs to be **frequent dissemination by the government to clarify CSR regulations**, particularly the scope of Schedule VII activities, to eliminate any apprehensions from the compliance point of view.



Incubators, especially the relatively smaller ones, should also proactively seek out engagement with corporates who are aligned with their objectives.

- They should display an understanding of the processes, frameworks and goals for **corporates to fund innovation**, such that it instils confidence in the corporates to invest in them.
- There is merit in **appointing a dedicated partnerships manager** who can lead conversations with corporates.
- **Dedicated outreach efforts such as impact showcase events** can help incubators without strong alumni networks by fostering connections with corporates who are willing to invest in the innovation ecosystem.

- One of the ways of obtaining a long-term commitment from donors is by educating them on the broader mission of the innovation programme and on the potential impact that the programme can create. The Theory of Change Framework highlighted in Section 4 of this guidebook can come in handy.



Corporates and incubators should establish clear expectations, and then stick to them while funding social enterprises and nonprofits, to avoid any conflicts and ensure sustainable funding for innovators.

- It is important for the corporate to first **understand the objectives of these programmes, the time frame, the risk involved and the outcomes** that will be achieved.
- It is recommended that the entity implementing the innovation-focused programme **co-create the impact indicators along with the corporate donor**. The sample Logical Analysis Framework that we have presented in section 4 may help both entities in moving towards the right direction of developing impact indicators.
- Often, **IP rights developed during the incubation programme are jointly owned by the startup and incubator**. However, the terms of Intellectual Property (IP) ownership can vary between incubators and may also depend on the specific agreements and contracts established between the incubator and the startups.

This guidebook attempts to be a resource for corporates seeking to fund innovation and enhance their understanding of the intricacies and necessary steps involved. Corporates play a crucial role in fostering innovation, and it is both logical and impactful for them to channel their resources into supporting innovation through various enablers, and supporting innovators, especially in early stages. By embracing this proactive approach, corporates not only contribute to the growth of the innovation ecosystem but also position themselves as key catalysts for positive change and progress, while deriving business value.

Section 06

Case Studies of Corporates Accelerating Innovation

India is a vibrant hub for innovation, with approximately 100,000 startups playing a pivotal role in shaping the nation's entrepreneurial landscape. Against the backdrop of innovation gaining prominence as a catalyst for human progress, and with the Ministry of Corporate Affairs (MCA) highlighting innovation among the priority areas in Schedule VII of the Companies Act 2013, corporates are increasingly recognising the need to go beyond mere compliance and short-term interventions.

In collaboration with Atal Innovation Mission, Sattva conducted comprehensive research on corporate interventions in the innovation space. This initiative is part of the guidebook on 'CSR and Corporate Philanthropy towards Innovation', which is designed for corporate social innovation leaders, and provides insights into how corporates can fund innovation. We spoke with over 30 corporate philanthropists to delve into their innovation strategies and conducted in-depth interviews with 12 CSRs who demonstrated expertise in funding innovation over the years. This allowed us to gain insights into their specific programs and strategies. The goal was to extract valuable insights into their journeys, objectives in funding innovation, programme structures, and the tangible impact they have achieved thus far.

This document serves as a comprehensive repository, documenting detailed case studies of corporates that have actively initiated and implemented programmes by partnering with incubators, accelerators, and academic institutions across diverse domains, to nurture, catalyse, and amplify innovation.

We extend our sincere gratitude to the following CSR and corporate philanthropy professionals who shared their time and experiences with us. Their insights have been instrumental in crafting this repository, enriching it with real-world perspectives and lessons learned which can inspire future collaborations and initiatives.

Ms Anita Kumar
Head, CSR
Amazon Web Services

Mr Aman Bhaiya
Assistant Vice President
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Archana Sahay
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Ms Matilda
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Pvt. Ltd.

Mr Nirbhay Lumde
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Asia Pacific, CGI

Ms Ritika Gandhi
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Ms Rohini Kamath
CSR Head
CISCO

Ms Sapna Bhawnani
VP Communications
& CSR APAC
Alstom Transport
India Limited

Ms Sneha
CSR Lead/Director
Operations and
Innovation
Akamai

Ms Sunanda
CSR Manager
Omega

Kumar Anurag Pratap
Vice President –
Corporate Social
Responsibility
Capgemini Technology
Services India Limited



Dell Technologies, NITI Aayog, and Learning Links Foundation join forces to bridge the skilling divide, empowering student innovators with Atal Tinkering Labs



AIM

Since 2017, Dell Technologies, NITI Aayog's ATLs, and Learning Links Foundation have partnered to bridge the skilling and digital divide among Indian youth, particularly from underserved communities. Their focus is to equip the younger generation with essential tech skills of the future, and nurture innovation by transforming innovators into entrepreneurs through state-of-the-art technology.



PROGRAMME DESIGN

The partnership established hundreds of Atal Tinkering Labs and launched four programmes – Gaming Solution, Student Entrepreneurship, SheCodes Innovation, and Emerging Technologies – for ATLs across the country.

- The Gaming Solution Programme includes an open-source self-learning portal for students to enrol in game development courses aligned with school curricula, through engaging resources like videos and case studies.
- The Student Entrepreneurship Programme (SEP), a ten-month programme, provides students with a comprehensive understanding of business aspects, including product development, expansion, and communication. Through experiential learning, students gain exposure to customer-centric thinking, feedback loops, patenting, and product development. The implementation partner, Learning Links Foundation, collaborated closely with Dell to guide students and offer internship opportunities at Dell for practical experience.
- The SheCodes Innovation Programme targets grassroots-level ATL schools, inspiring young girls to pursue STEM careers with the support of Dell employees and subject matter experts.
- The Emerging Technologies Programme introduces students to breakthrough technologies such as Augmented Reality, Virtual Reality, the Internet of Things, and Artificial Intelligence. The ShePreneur Programme, an entrepreneurship programme exclusively for girl students, offers stages like Bootcamp, Mentorship, Internship, Product Development, Patenting, and Product Launch to foster STEM-based entrepreneurship learning.



IMPACT

The focus of this collaboration on innovation has yielded significant results. For example, Divyani Raut and Anjali Paunikar, two girls from Amravati, Maharashtra, developed an affordable Water Quality Analysis System through the SheCodes programme. Using Arduino, C-language programming, and IoT technology, their system rapidly measures water parameters to share the data with village and district officials. Their achievement shows how empowering students with technological skills, fostering innovation, and encouraging entrepreneurship, can address problems among underserved communities.



Alstom partners with IIM Bangalore's NSRCEL Incubation Programme to empower Sustainable Mobility Startups, driving innovation and growth



AIM

Alstom, a global leader in smart and sustainable mobility, launched the Sustainable Incubation programme in collaboration with NSRCEL-IIMB in 2022. This programme aims to support the development, scale-up, and market entry of technological solutions that replace high-emission, energy-intensive, and non-recyclable alternatives. It selects innovations in areas such as sustainable mobility, last-mile connectivity, sustainable logistics and supply chain, green buildings, consumption management, agriculture and farming equipment, upcycling and recycling, and waste management. The programme specifically focuses on nurturing startups in the early revenue stages.



PROGRAMME DESIGN

During the programme, startups receive comprehensive guidance to navigate the ecosystem, understand relevant policies, and ensure regulatory compliance. High-potential startups are awarded a funding grant of INR 1.5 crores each, allocated across two cohorts. The programme features workshops, mentoring sessions, masterclasses, peer learning, and networking with experienced advisors. Customised content addresses the specific needs of each startup, with an assigned 'anchor mentor' providing ongoing support. These mentors track progress, identify gaps, and guide ventures for scaling and expansion. The programme extends its impact through collaborations with research, engineering, policy, and market access organisations, which offer 1:1 expertise to enhance the growth of participating ventures. Sessions on Business Strategy and Expansion, Financial Planning and Fundraising, Storytelling and Strategic Communication, conducted during the programme, contribute further to their development.



IMPACT

The programme enabled transformative outcomes for the inaugural cohort of 20 ventures, enhancing strategies, securing funding, and improving stakeholder communication. This resulted in increased revenue, expanded customer bases, and job creation. These accomplishments were facilitated through 100+ mentoring sessions with 10+ mobility-specific mentors and 150+ hours of engagement on topics such as financial planning, pricing strategy, product development, supply chain distribution, and unit economics.

By providing startups with essential tools and resources for growth, the programme has fostered a vibrant ecosystem, leading to higher monthly revenue, increased customers, and more direct jobs. The diverse cohort, united in promoting sustainability and innovation, actively contributed to electric vehicle adoption and addressing mobility challenges for specially-abled citizens. Startups like Metroride, promoting last-mile connectivity for public transport, and Volar Alta, replacing manpower with drones for the inspection of manufacturing units that release toxic materials, have developed diverse, yet holistic solutions for the mobility ecosystem.



Mercedes-Benz

MBRDI's Innovation for Transformation programme empowers social change through holistic financial and non-financial support for sustainable mobility solutions



AIM

Mercedes-Benz Research and Development India (MBRDI) has strategically aligned its CSR initiatives with a focus on social mobility while ensuring compliance with the United Nations Sustainable Development Goals. Through its Innovation for Transformation programme, MBRDI empowers organisations to drive social change by developing innovative mobility solutions for underserved demographics and people with disabilities.



PROGRAMME DESIGN

The programme specifically targets start-ups with a clear CO2 impact key performance indicator. Start-ups participating in the programme are required to identify four challenging problem statements, which are used to connect them with employees possessing the relevant skill sets to address those problems. In addition to providing initial financial assistance, the programme offers technical mentorship, guidance on market development, networking opportunities, and access to the knowledge and expertise accumulated by Mercedes-Benz over 25 years of research and development in India.



IMPACT

The programme has supported 18 mobility organisations, resulting in 19 innovative products that enhance mobility device accessibility for underprivileged individuals. MBRDI's support for Sheru, an e-mobility startup, is groundbreaking for uncharted Tier 2 and Tier 3 cities. With seed funding and MBRDI's expertise, Sheru was able to establish battery-swapping infrastructure and provide battery packs to e-rickshaw drivers. This initiative has resulted in increased daily operating hours for the drivers, leading to additional income of up to INR 500. Furthermore, the partnership has effectively reduced carbon emissions resulting from the 2 million miles covered by e-rickshaws daily.



Cisco joins forces with NASSCOM Foundation to establish thingQbator Makerspaces in universities, serving as catalysts for igniting innovation ideas



AIM

Cisco, in partnership with NASSCOM Foundation, is promoting social innovation through various programmes, including the thingQbator initiative. Initially established as an internal IoT incubator, thingQbator was offered as a university programme to promote and accelerate innovation and entrepreneurship in current and emerging technologies.



PROGRAMME DESIGN

thingQbator is a global makerspace community focused on creating entrepreneurs. It offers students valuable hands-on experience through learning content and R&D tools on digital technologies. They are also provided in-depth mentoring which enables them to transform their ideas into functional prototypes, and devise localised solutions to address community issues. These social innovations are primarily in education, healthcare, agriculture, environment, and waste/water management. Cisco empowers young innovators to register their companies by providing seed grants and incubation support to upcoming start-ups. In addition to financial support, Cisco offers expert-led training programmes, practical workshops, access to cloud infrastructure and sandbox, industry mentoring, and collaboration opportunities with established start-ups.



IMPACT

Since 2018, Cisco and NASSCOM Foundation have partnered with over 30 universities across India to foster student entrepreneurship and promote social innovation. To date, the programme has equipped nearly 10,000 students with skills in current and emerging technologies, and a subset of these learners has been directed toward the start-up ecosystem, with the vision of transitioning their mindset from being job seekers to job creators.

In 2022-23 alone, the programme provided more than 1,000 hours of mentoring to students, creating more than 40 prototypes. A total of 720 ideas were received, and eventually, 10 ideas were announced as winners, receiving a seed grant of INR 5 lakhs each, including incubation support with a government-recognised technology business incubator (TBI).



Cisco and Social Alpha collaborate to scale up agri-tech start-ups in India through the Krishi Mangal Programme



AIM

Smallholder farmers face barriers to accessing agricultural technology due to limited awareness, financial constraints, and a lack of incentives to adopt modern farming practices. Although the agri-tech sector in India is flourishing, small-scale farmers have not benefited sufficiently from these advancements. To address these challenges, Cisco joined forces with Social Alpha, a multistage innovation curation and venture development platform, to launch Krishi Mangal in January 2020. This collaboration aimed to scale up and accelerate agri-tech innovations, to improve the lives of smallholder farmers by promoting efficiency, sustainability, and climate resilience in farm and allied livelihoods through innovation, entrepreneurship, and community engagement.



PROGRAMME DESIGN

Krishi Mangal is an 18-month market access and scale-up accelerator for high-performing, impactful, revenue-generating start-ups focused on climate-resilient agriculture and rural livelihoods. The programme empowers the agricultural ecosystem by providing market access, field implementation support, and access to scale-up grants. Additionally, start-ups receive comprehensive venture acceleration support, including services for product development, marketing and branding, go-to-market strategy, and fundraising assistance.



IMPACT

One of the start-ups supported by Krishi Mangal is Jaljeevika, which has developed the AQUA+ model for fish farmers. AQUA+ utilises skilled community cadres as extension agents, and establishes self-governed producer organisations, contributing to developing a blue economy. Krishi Mangal has played a crucial role in testing the integration of digital technologies with farmers, providing solutions, course corrections, and linkages with expert networks, including government programmes. The organisation has operated in over 380 villages, benefiting more than 2,100 fisher families, and increasing fish production in the region by 30%. Following its success in Maharashtra, the programme is being tested in Madhya Pradesh, Uttar Pradesh, and Bihar.

In its first year, the Krishi Mangal programme supported 5 agri-tech startups, impacting over 17,000 farmers by supplementing their income by at least 10% on average. In addition, the programme has created over 200 jobs and extended support to over 500 micro-entrepreneurs. During the second year of Krishi Mangal, Cisco is expanding the programme and has identified 7 startups, working on climate-resilient agriculture solutions, for acceleration.

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Robust incubatee selection and structured mentoring drive the Akamai Accelerator Programme to empower startups for tech-based water conservation solutions with ICCW



AIM

Akamai's Accelerator Programme supports tech-based water conservation solutions through a thorough evaluation process for early-stage innovators, and structured mentoring for scalable business models with social impact. The programme has a strategic partnership with ICCW, led by the Indian Institute of Technology Madras, providing technical expertise and mentorship.



PROGRAMME DESIGN

The 12-month cohort-based programme follows an application-based, multi-stage interview process to select participants.

- Applications are carefully reviewed, considering factors like innovativeness, proposed solutions, customer validation, social impact potential, and founders' backgrounds.
- The final selection of participants is made by a selection committee from the Akamai Technologies India CSR Trust. Once selected, startups undergo a comprehensive boot camp that guides them through customer discovery, product-market fit, business model development, and social impact metrics. The analysis of startups at the boot camp helps tailor personalised mentoring sessions, including technological and market mentoring. Alongside financial assistance, the programme also grants participants access to ICCW's labs, resources, and a network of experts.
- This comprehensive support is designed to help early-stage organisations develop a market-ready proof of concept and secure additional funding even after the programme concludes.



IMPACT

Since 2020, seven startups have completed the programme: Ashoka Trust for Research in Ecology and the Environment, Foundation for Environmental Monitoring, SmartTerra, Jaljeevika, Solinas Integrity, Agromorph, and Digital Paani. They cover a range of innovations, such as low-cost field test kits, a mobile app for lake restoration, water distribution line leak detection using algorithms, water pipeline condition monitoring with robots, AI/ML for aquaculture, algae usage for sewage and effluent recycling, and digitalisation of water treatment plants for remote monitoring.

The ongoing Cohort-4 has five startups – Vayujal Technologies, EyeNetAqua, Watsan Enviro, Ekatvam Innovations and Bariflo. Their enterprises cover atmospheric water generation, real-time monitoring of water supply, recycling of textile effluent, use of AI/ML to predict water availability for farmers, and robotic waterbody management.



Capgemini's Corporate Responsibility and the Applied Innovation Exchange (AIE) in Mumbai, partnering with IIT Madras to combat manual scavenging through robotics innovation



AIM

Capgemini fosters innovation and social impact in India by collaborating with academic institutions to foster positive change. As part of their Tech4Positive Futures initiative, Capgemini AIE Mumbai and Capgemini CSR partnered with IIT Madras in 2020 for leveraging robotics technology to replace manual scavenging and improve worker safety. Manual scavenging, though banned in India, remains prevalent due to limited alternatives, putting workers at risk of serious health hazards and fatalities.



PROGRAMME DESIGN

This co-innovation utilises robotics technology to enhance well-being and save the lives of manual scavengers by substituting human labour with state-of-the-art SIRS (a robotic system integrator) robots. These robots inspect and clear small-diameter sewer lines, with extensive testing in controlled environments and real-world field trials, reaching an advanced Technology Readiness Level (TRL). These advancements not only replace manual scavenging, but also improve the efficiency and quality of recovered waste for use as secondary raw materials. Capgemini's AIE team provided technical guidance, while IIT Madras contributed to joint research, knowledge exchange, and proof-of-concept development. In March 2021, a prototype was developed and tested across various municipal corporations in India.



IMPACT

Capgemini has been fostering livelihoods, employment prospects, and driving innovation through strategic partnerships with esteemed institutions such as IIT Madras, CSIE, and NSRCEL at IIM Bangalore, mirroring the approach taken in this intervention.



SBI Foundation's revolving fund powers start-ups for scale in collaboration with Villgro, leading to the launch of their dedicated incubation programme, 'Innovators of Bharat'



AIM

In 2021, the SBI Foundation, the CSR arm of the State Bank of India, joined forces with Social Alpha to launch the 'Tectonic: Innovations in Assistive Technology' challenge. The collaboration aims to address existing gaps in specific sectors by encouraging innovators and entrepreneurs to develop products and services that enhance the quality of life for individuals with disabilities. The challenge focuses on several areas, including visual impairment, developmental disorders, chronic neurological conditions, locomotor disabilities, and speech and hearing disabilities.



PROGRAMME DESIGN

The collaboration supports early-stage assistive technology innovators operating at a Technology Readiness Level (TRL) of 3 or higher. The programme identifies and selects ten startups that receive comprehensive support to accelerate their journey from the lab to the market. Among these ten startups, the top four are awarded a grant of INR 15 lakhs to fund their ideation, prototyping, and growth stages. Additionally, Social Alpha provides these startups one year of incubation support, which includes access to R&D labs for prototyping, and infrastructure for scaled-up manufacturing. They also gain access to mentors, incubation facilities, industry players, and end-users for product testing and business model validation. The programme goes beyond the initial incubation stage to provide ongoing support, such as market access, entry into distribution channels, ecosystem connections, and investment opportunities. This comprehensive approach ensures that the selected startups receive the necessary resources and guidance to successfully take their assistive technology products to market, and reach their target audience.



IMPACT

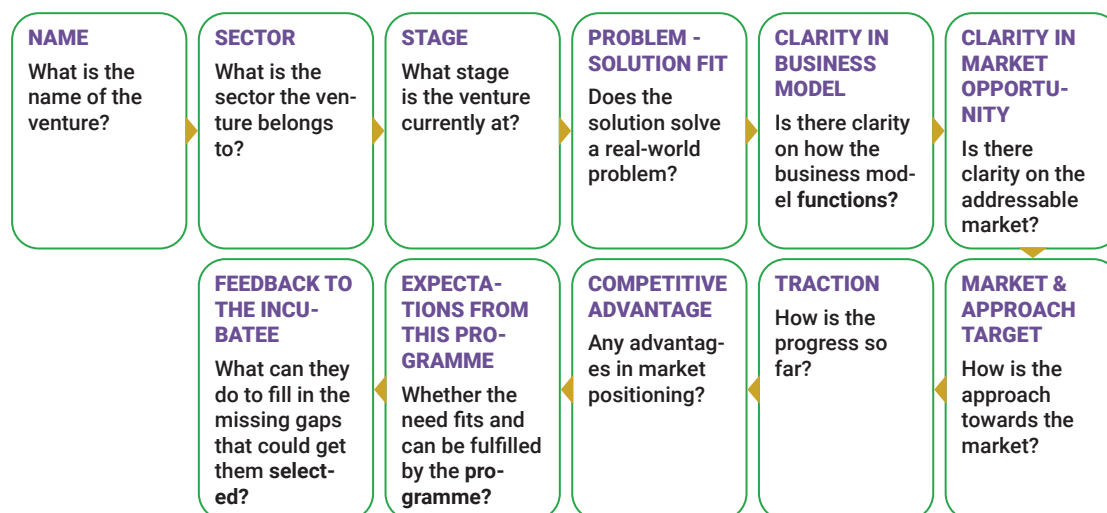
The initiative is still in its early stages, so the outcomes are yet to be observed. However, in a recent development, the top four participants have been chosen to receive grant support and incubation support. Additionally, the top 10 participants will have the opportunity to enrol in a certificate programme in assistive technology, offered by the National Institute for Speech and Hearing (NISH). Given the extent of support made available through this challenge, the potential to scale innovative solutions for persons with disabilities is immense.

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15. Companies Act 2019, '[Schedule VII \(ix\) \(a\) \(b\)](#)'.
16. KPMG India 2017, '[Handbook on Leveraging CSR Contribution for Supporting startups/ Social Enterprises](#)'.
17. Choudhary, S, Singh, V, Bhagat, A, Bhalla, S and Thakur, S 2020, '[The changing landscape of CSR in India during COVID-19](#)', Invest India.

Appendix

1. Incubatee Selection Framework Template



2. Logical Framework Analysis Template

	Description	Indicators	Means of Verification
Impact	Help startups build organisational capacity for sustainability and expansion, lead them toward market pathways for revenue and profitability, and sharpen their business models and value propositions through the programme	Tracking return on investment and social impact over a period of 4-6 years of the start-up's life	Check-in calls/ survey every 6 months
Outcomes	Defined value proposition and Business Model, Clarity on Strategy and Roadmap, foundational knowledge of business fundamentals, access to network	No. of startups received funding and access to capital No. of pitching sessions	Funding confirmation letter
Outputs	Conduct virtual workshops, one-on-one mentoring sessions, masterclasses, peer learning activities	No. of sessions conducted	Cohort report card Certificates
Activities	Identify, select, engage and support early-stage sustainable ventures with high growth potential	No. of applications reviewed No. of startups onboarded	Database of applications

RISKS

- Lack of progress on product/service development, unclear focus, no USPs, lacking experience in the field, weak unit economics etc
- Lack of funding opportunities due to slowing economy

3. Programme Process Update Framework Template

1. PROJECT MANAGEMENT				
Name of the project			SPOC Name	
Objectives			SPOC Contact no.	
S. No	Name	Role	Comments	SPOC Email

2. PROJECT UPDATES				
Milestones	Activities	Planned output/outcome	Actual output/outcome*	Tasks to bridge the gap**

3. FINANCIAL UPDATES			
Planned	Actual***	Deviation	Steps to minimise deviation

* Keeping in mind the ambiguous nature of any innovation project, it is recommended to track milestones rather a particular output

** Review mechanism can be built into the milestones. Progress reviews add more value than feedback sessions in the innovation context – as the projects are new to all, the nature of the review should be, 'what else can we do' rather than a dissection of, 'what didn't go well'

*** Actual: This number would be filled by the incubatee at the end of the FY quarter. The total of actual budget utilised should be the same as the total of the budget in the fund utilisation report.

4. Grantee Reporting Framework for Incubatees/Startups Template

Key Title and Subtitle	Description
1. Project Overview: <ul style="list-style-type: none"> • Need and Rationale • Project Logical Framework Analysis Table (Milestones, Activities & Outputs) • Impact Summary 	<ul style="list-style-type: none"> • Defining key project OKRs for this engagement • Detailed LFA Table (attached above) for the overall project level highlighting key milestones, activities, outputs and intended outcomes • Impact summary describing the key impact metrics across different archetypes
2. Project Updates: <ul style="list-style-type: none"> • Progress from the reporting period (last quarter) • Planned vs Actual Activities, Outputs and Outcomes (Both Qualitative and Quantitative) • Key Highlights 	<ul style="list-style-type: none"> • Narrative (qualitative and quantitative) updates on all key data output & outcome metrics (as per the monitoring framework) • Key activities conducted in the last quarter (planned vs actual comparison) • Any other important development/updates from the project implementation for the reporting period
3. Administrative Overview: <ul style="list-style-type: none"> • Budget Report from the reporting period (last quarter) 	<ul style="list-style-type: none"> • Please mention the received and utilised amounts in this section. • If any, significant over or under-spending, please provide a rationale and mitigation strategy for the issue
4. Way Forward: <ul style="list-style-type: none"> • Planned objectives/activities for the subsequent quarter 	<ul style="list-style-type: none"> • Key activities planned for the next quarter • Anticipated outputs and outcomes for the next quarter • Risks you foresee that could jeopardise the successful implementation of the project and mitigation strategy in order to mitigate those risks
5. Annexure: <ul style="list-style-type: none"> • Data on Key Impact metrics • Glimpses from the ground 	<ul style="list-style-type: none"> • A quantitative update of planned and actual numbers on the output and outcome indicators taken as a part of the monitoring framework. All numbers/data to be mentioned at the aggregate level and broken up quarterly as well • Include any photographs/links to audio-visuals that give a glimpse of the project implementation and can be used by the corporate as a part of their internal/external communication initiatives



